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Vol. 10, No. 4

COUNTY NEWS

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

Jan. 23, 1978

NACo

Washington, D.C.

'78 LEGISLATIVE CONFERENCE

Key Leaders to Brief Delegates

Russell B. Long

WASHINGTON, D.C.—Sen. Russell B. Long, chairman of the Senate Finance Committee, Secretary of Commerce Juanita Kreps, and Secretary of Labor Ray Marshall are among Washington dignitaries who have accepted invitations to address general sessions of NACo's annual Legislative Conference to be held at the Sheraton Park Hotel in Washington, March 12-15.

Long and Marshall will keynote the conference on Monday morning and Kreps will speak at the Monday lunch.

The annual Legislative Conference is designed to acquaint county officials with issues coming before the Congress that directly affect counties and other local governments and to brief them on recently enacted legislation.

This year's sessions will include environment and energy, social security, criminal justice, health, manpower, community development, transportation, welfare reform, and rural affairs issues as well as federal aid and assistance programs.

The conference also provides county officials an opportunity to visit their congressional delegations and federal agencies to alert them to national policy positions adopted by the NACo membership.

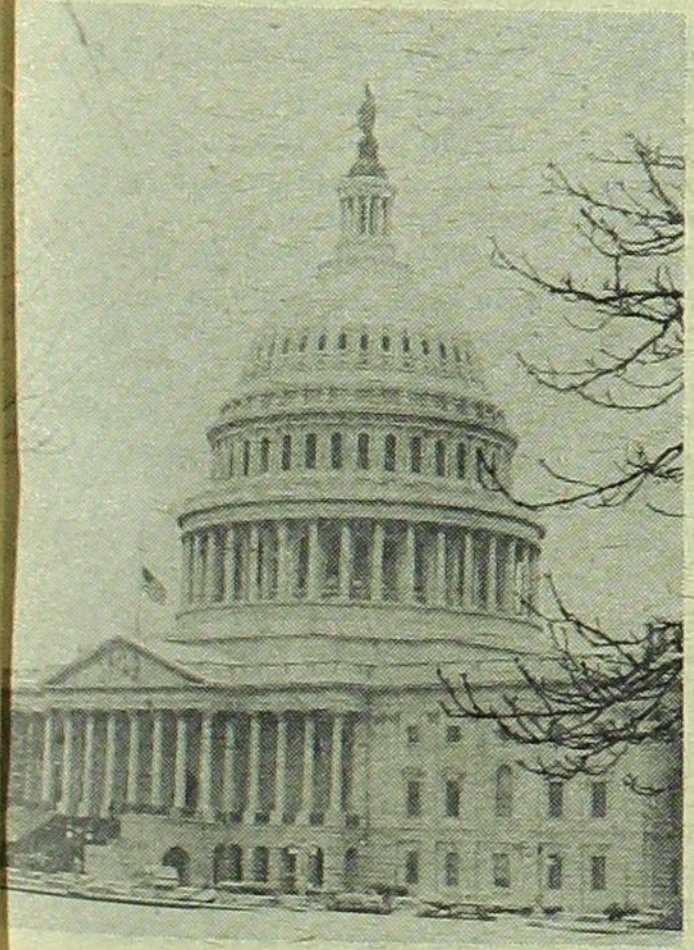
Particular emphasis this year will be placed on workshop sessions that will explore the "nuts and bolts" of various legislative proposals so that county officials can discuss these issues in detail with their congressmen and program administrators. They will, as far as possible, provide opportunities for questions and discussion from conference participants.

In addition to the formal sessions of the conference, all NACo steering committees will meet, as well as the NACo board of directors and many of the NACo affiliates.

A preregistration form appears on the back page.

Juanita Kreps

Ray Marshall



Flag on Capitol is flown at half-mast in memory of the late Sen. Hubert Humphrey.

HHH taught us to serve, to live, to love, to enjoy and. . . to leave

See tribute by Bernard F. Hillenbrand, page 5.

Hill Faces Jobs, Welfare

Welfare Panel to Tackle Jobs Issue

WASHINGTON, D.C.—Basic concepts for providing cash assistance to the needy have been identified by the special subcommittee developing welfare reform legislation.

The subcommittee will consider the basic concepts in the jobs part of the Administration's welfare reform proposal when they reconvene Jan. 24.

The exact form the jobs portion of the bill will take is unclear. The Administration and the chairman of the House subcommittee on employment opportunities, Rep. Augustus Hawkins (D-Calif.), have reportedly agreed to provide welfare jobs through prime sponsors under the Comprehensive Employment and Training Act (CETA).

AFTER THE subcommittee completes its preliminary consideration of both the cash assistance and the jobs parts of the reform measure, it will begin markup of a bill incorporating the basic concepts that have been agreed to.

Following subcommittee deliberations, the bill will be referred to the Ways and Means, Agriculture, and Education and Labor Committees. Senate Finance Committee Chairman Russell B. Long (D-La.) does not support the Administration's proposal and is not likely to act until the House has voted on the bill.

See CASH, page 2.

CETA Reorganization Unveiled

WASHINGTON, D.C.—The Labor Department released the first public draft of its bill to extend the Comprehensive Employment and Training Act (CETA) on Jan. 18.

The bill would extend CETA for four years and completely reorganize the major CETA titles while retaining the basic CETA delivery system.

It appears now that both Rep. Augustus Hawkins (D.-Calif.), chairman of the House subcommittee on employment opportunities, and Sen. Gaylord Nelson (D.-Wis.), chairman of the Senate subcommittee on employment, poverty, and migratory labor, will introduce the Administration's bill rather than develop their own separate bills. House hearings on CETA are tentatively scheduled for mid-February.

NOTICEABLY absent from the Administration's bill is a separate welfare reform jobs program like the one proposed by the Administration in Title II of H.R. 9030, the welfare reform bill. It appears that the Administration has tentatively accepted Rep. Hawkins' position that welfare jobs should "buy in" to the existing CETA system and not exist as a separate CETA title.

In the draft CETA extension, all administrative provisions are consolidated in a new CETA Title I. The definition of "prime sponsors" is basically unchanged, so counties and cities with certain basic powers and at least 100,000 population would still qualify for direct federal grants.

Smaller jurisdictions could join an eligible prime sponsor in a consortium or would receive CETA services through the state. However, new language suggests that prime sponsor designations might not be automatic as they are now and that the governor would have increased influence over local programs.

THE PROPOSED BILL would move current Title I training and developmental programs to a new Title II, but with a new emphasis on increasing enrollees' earned income and a limit on public service jobs and work experience activities in the title. Although the current formula for distribution of Title I funds would not change, prime sponsors would be guaranteed 90 percent of their fiscal '78 allocation, rather than 90 percent of the "previous year's" funds.

Title III of the draft would include special federal programs, research and evaluation activities.

All current CETA youth programs, except the Young Adult Conservation Corps, would be part of the draft bill's Title IV. Although

See ADMINISTRATION, page 3.

Cash Assistance Decisions Made

Continued from page 1.

FOLLOWING IS a summary of the subcommittee's decisions on cash assistance, how they compare with H.R. 9030 (the Administration's welfare reform proposal, the "Better Jobs and Income Act") and NACo policy. NACo's Welfare and Social Services Steering Committee will meet during NACo's Western Region Conference from 9 a.m. to noon on Feb. 8 to review the subcommittee's bill and NACo's position.

Coverage

Extend coverage for federal cash assistance to needy intact two-parent families, single individuals, and childless couples, in addition to those who currently receive Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI). This would provide universal coverage, with nationally uniform eligibility rules, for federal cash assistance (same as H.R. 9030). **Supported by NACo.**

Filing unit rules

Establish the "family" as a basic filing unit for cash assistance (same as H.R. 9030).

Require related individuals living together in a single residence to apply for benefits as a single unit, with the following exceptions:

• Aged, blind or disabled (ABD) must file separately (same as H.R. 9030);

• A nuclear family unit (parent and child) must file separately even if they live with another related family (same as H.R. 9030);

• The income of stepparents not legally responsible for children in a household would not be imputed to children (not in H.R. 9030);

• Single individuals under 25, without children and not blind or disabled, are required to file with their family if they apply for cash assistance, regardless of where they live (not in H.R. 9030).

Allow payment of benefits to ABD persons in public group homes as provided under the present SSI program (not in H.R. 9030). **Supported by NACo.**

Retain present provisions in the AFDC program providing federal matching for foster care children (not in H.R. 9030). **NACo supports inclusion of foster care in federal cash assistance program.**

Not limit the number of individuals in a filing unit for whom benefits can be paid (H.R. 9030 limited to seven the number in a single filing unit for whom benefits could be paid). **NACo supports.**

Benefits

Agree on a nationwide cash assistance basic benefit schedule for those with no other income (same as H.R. 9030). **NACo supports adequate federal minimum benefit.** The following figures are annual amounts: Aged, blind, disabled individual, $2,500; aged, blind, disabled couple, $3,750; single-parent family of four with child under 14, $4,200; single-parent family of four with no child under 14, and two-parent families of four, $2,300 ($4,200), no job available; single individual, $1,100; and childless couple, $2,200.

Pay entire benefit in cash ("cashing out"), rather than cash and food stamps (same as H.R. 9030, except that the subcommittee did not repeal the Food Stamp Program proposed in H.R. 9030). **NACo supports cashing out food stamps.**

Index, according to the Consumer Price Index, the basic benefit schedule, and state supplementation for which federal cost sharing is available, for all categories of recipients on an annual basis from now until implementation of the new program and for each year thereafter (H.R. 9030 indexed only to date of implementation). **NACo supports annual cost of living indexing.**

Maintain "lower tier" benefit schedule (providing $2,300 for a family of four) during the eight-week job search for those expected to work (same as H.R. 9030).

Federal/state/county costs and state supplementation

Require the federal government to pay 90 percent of cost of basic benefit and the state to pay 10 percent (same as H.R. 9030). **NACo supports full federal financing of cash assistance.**

Provide federal sharing of costs of state supplementation of basic benefits for state programs that incorporate federal eligibility rules as follows:

• Up to present AFDC, plus food stamp benefit levels or poverty level, whichever is higher, for all families with children, with the federal government paying 75 percent up to $4,714 (family of four) and 25 percent thereafter.

• Up to present SSI, plus food stamp benefit levels or the poverty level, whichever is higher, for the aged, blind and disabled, with the federal government paying 25 percent;

• Up to present general assistance benefit levels or up to an amount equal to the same percentage increase over the basic benefit that is provided for families with children, whichever is higher, for single individuals and childless couples with the federal government paying 75 percent up to $1,236 for individuals and $2,471 for couples and 25 percent thereafter. (H.R. 9030 provided federal sharing of state supplementation costs up to $6,384 [family of four] which is approximately the poverty level, for single-parent families with children under age 14.) **NACo supports full federal funding of SSI so that state supplements are unnecessary.**

Permit state supplement programs to provide that:

• The combined benefit reduction rate resulting from any state supplement could not exceed 70 percent for any category of recipients (H.R. 9030 provided that it could not exceed 52 percent).

• The state break-even point could not fall below the break-even point in the basic benefit program (same as H.R. 9030).

Accounting period, reporting requirements

Establish a one-month retrospective accountable period for all categories of recipients (H.R. 9030 proposed a six-month retrospective accountable period). **NACo supports one month.**

Require monthly reporting families with children, single indi uals and childless couples and m tain reporting requirements in present SSI program for ABD re ients. (H.R. 9030 proposed that re ients be required to file perio reports as specified by HEW.)

Work requirement

Stipulate that any adult applic for cash assistance would be sub to the work requirement, unless h she is:

• ABD or temporarily incap tated (same as H.R. 9030);

• The only adult member o household that includes either a c under 7 or an individual who is A incapacitated, in need of a caretal The adult member of single-par families with children ages 7 to 1 required to accept part-time empl ment (same as H.R. 9030). **NA supports a work security progran adequate wages, requiring pers able to work to accept employm as a condition of eligibility.**

Allow that an individual requi to work may refuse private-sec job offer if it does not provide eq pay for equal work, determined or establishment-by-establishment b (not in H.R. 9030).

Treatment of earnings, income assets

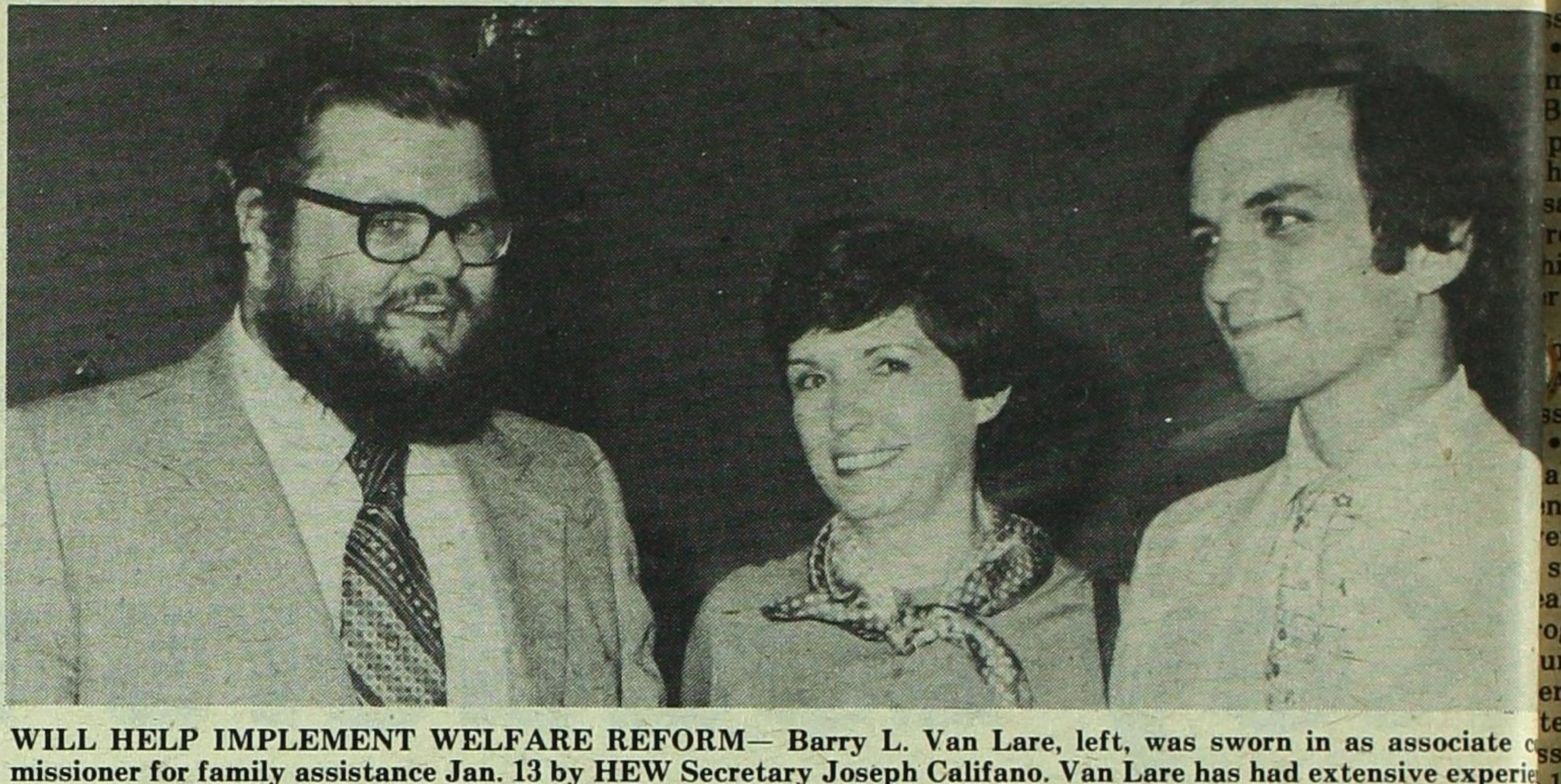
Exclude for the purposes of de mining eligibility and basic ben levels, the following:

• The first $317 plus 50 percen remaining monthly earnings ($3 annual) of families with childre the lower benefit schedules, i.e., parent families and single-pa families with no children unde (same as H.R. 9030);

• Child care costs of a child u 14 up to $150 a month per c maximum of $300 a month family, plus 50 percent of remai monthly earnings for single-pa families on upper tier (same as H 9030);

• Fifty percent of monthly ea ings of single individuals and c

Continued on next p



WILL HELP IMPLEMENT WELFARE REFORM— Barry L. Van Lare, left, was sworn in as associate c missioner for family assistance Jan. 13 by HEW Secretary Joseph Califano. Van Lare has had extensive experie in the welfare field at the state and county level and will be responsible for implementation of the Preside welfare reform proposal. Prior to joining HEW he was with the National Governor's Association and had wor with NACo in developing the New Coalition's position on welfare issues. Pictured with him are Pat Johnson, NA welfare consultant and James Koppel, NACo legislative representative.

L.A. County Offers Welfare Reforms

WASHINGTON, D.C.—The Administration's welfare reform bill, H.R. 9030, reflects NACo position and policies to a degree that indicates efforts over the past several years have paid off handsomely.

Representation by a full-time staff person on HEW Secretary Joseph Califano's welfare reform consulting group which drafted the President's proposal last spring, and consistent follow-through in the subsequent legislative process have contributed to a bill that NACo supports and continues to help modify.

Much of the staff work on the welfare reform effort has been provided by Los Angeles County. With a caseload exceeding one million persons and $1 billion in expenditures, the county has achieved an error rate of 2.9 percent, far below that of any state or county of comparable size.

While amendments of importance to counties were achieved in the conceptual markup by the welfare reform subcommittee Nov. 29 (see accompanying article), several major amendments are still needed, according to Los Angeles County's analysis.

For example, the fiscal formulas regarding hold harmless, maintenance of effort, and state supplementation are still too complex, as are the provisions for guaranteeing recipients no loss of benefits. And the bill is still weak in protection for county welfare staff who would be affected.

According to Los Angeles County's analysis, the following amendments are needed:

• Specific guidelines for transferring displaced state and county welfare staff into the new system should be provided which would protect civil service status and salary, seniority rights, retirement, sick leave, and vacation benefits.

• The fiscal provisions should be replaced with a clear and simple guarantee of the $2 billon fiscal relief to states and counties which was announced by the Administration, with a federal commitment to "buy out" the remaining $5 billion of state and county burden over the next two years.

Recipients would be "grandfathered" in at current benefit levels or $4,200 (family of four) if higher, at 100 percent federal funding, with subsequent annual cost of living adjustments.

The fiscal relief and subsequent buy out of expenditures would be divided among states according to the proportionate share of welfare costs which bears the same ratio as the states' current expenditures to the present aggregate state/county expenditures. States would pass through the fiscal relief to counties in direct proportion to the county's share of state costs for welfare.

• Whether the payment system is federally administered or state/locally administered, provision must be made in the federal law for immediate flow of cash assistance, pending final determination of eligibility, for the first eligible payment, for timely replacement of lost or stolen checks, and for needs arising from catastrophes.

• Maximum time limits for determination of eligibility (60 days for cash assistance to aged, blind, and disabled; 30 days for others) must be established.

• States and counties must be "held harmless" from additional Medicaid program costs arising from increased numbers of persons eligible for cash assistance (a subcommittee amendment holds harmless additional administrative costs arising from the new program).

• An "accountable income" period for determining initial eligibility such as California's prior-month budgeting system should be adopted, whereby income actually received two months prior is compared to the family's current needs in computing the payment. (The subcommittee dropped the proposed six-month retrospective accounting period in favor of one-month retrospective accounting.)

• The number of special jobs should be increased from one to four million to accommodate all recipients in the expected-to-work category.

• The subsidized work and training opportunities should be made available to all heads of households, including single persons and childless couples, with priority for subsidized jobs and training to persons expected to work.

• A single agency, possibly the Department of Labor, should be totally responsible for administering and monitoring the jobs search program at the federal and local level.

• Determination of incapacity for work should be made by the Department of Health, Education, and Welfare, rather than the Labor Department, to ensure coordination and equitable application of disability and incapacity criteria and to avoid delays in eligibility determination.

• Incapacitated adults should be excluded from the requirement that HEW refer certain persons to the Secretary of Labor for employment services.

• The new program should be phased in gradually after the central computer and related systems have been tested.

—Pat Johnson

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Comparing Positions of Subcommittee, NACo and Administration

Continued from page 2.

ss couples (same as H.R. 9030);

• The first $65 plus 50 percent of remaining monthly earnings for ABD recipients; plus work-related expenses, and income needed to achieve self-support for the blind and disabled; and for cost of attendant care for a severely disabled person which is required by individual in order to work (not in H.R. 9030).

Hold harmless

Approve the following "hold harmless" provisions:

• States be "held harmless" at actual 1980 expenditures or 1977 expenditures inflated to 1981, whichever is lower, at a level of 90 percent of such expenditures for the first two years after implementation of new program, at 95 percent the third, fourth and fifth years after implementation, and at 100 percent thereafter. (H.R. 9030 based "hold harmless" on 1977 expenditures inflated to 1981 and provided no "hold harmless" protection after the fifth year following implementation.) **NACo supports permanent hold harmless to prevent increases in state and county welfare and Medicaid costs.**

• States be "held harmless" for the "hold harmless" expenditures contained in H.R. 9030, plus the costs of "grandfathering" general assistance as well as AFDC and SSI recipients, any reasonable administrative costs attributable to "grandfathering" that are in excess of pre-reform administrative costs, and for additional administrative costs associated with Medicaid eligibility determinations that are attributable to the new cash assistance program. **NACo supports federal assumption of general assistance costs.**

Administration

Provide states the option of administering all aspects, including benefit payment operations, of new cash assistance program for families with children, childless couples and single individuals; and that the administrative arrangements in present SSI law be maintained for the ABD. (H.R. 9030 proposed federal administration of the new cash assistance program, for all categories of recipients, allowing states to perform intake and eligibility determination functions.)

Provide for reimbursable state interim assistance payments made to individuals whose eligibility and grant levels have been determined, in cases where there is a delay in receipt of payment (not in H.R. 9030). **NACo supports federal reimbursement of these costs.**

Provide that there be specific standards of promptness for eligibility determination and check issuance; and written advisement of rights of appeal.

Emergency needs

Authorize appropriations for a program to enable each state to meet the emergency needs of individuals and families as follows:

• $600 million (indexed to first year of implementation) is to be allocated for each fiscal year among the states for their emergency needs program (same as H.R. 9030). **NACo supports open-ended funding of emergency needs.**;

• $600 million distributed one-half on basis of each state's 1977 welfare expenditures and one-half on basis of state population. (H.R. 9030 shifted gradually over a five-year period from a distribution formula based completely on welfare expenditures to one based completely on population.) **NACo supports subcommittee formula.**;

• A state whose emergency assistance costs exceeded its grant could receive additional 50 percent federal matching funds for expenditures that provide basic food and shelter needs resulting from an emergency to those eligible for cash assistance, up to an amount not to exceed 25 percent of the state's basic emergency assistance grant (not in H.R. 9030);

• The emergency needs program will be part of the new cash assistance program, rather than a part of Title XX as proposed in H.R. 9030. **NACo supports federal responsibility for emergency needs as part of the cash assistance program.**

Direct staff, in consultation with Health, Education and Welfare (HEW), to develop more specific criteria than are provided in H.R. 9030 regarding eligibility for emergency assistance and the conditions under which emergency assistance is to be provided. **NACo supports federal definition and criteria.**

"Maintenance of effort"

Require states to spend a declining percent of current welfare expenditures (i.e., 1977 state expenditures on AFDC, SSI, Emergency Assistance, and General Assistance): 90 percent first year after implementation of new program (1981), 75 percent second year (1982), and 65 percent third year (1983). Or, states could satisfy the "alternate" maintenance of effort requirement contained in H.R. 9030 (same as H.R. 9030).

Determination of disability

Modify the "substantial gainful activity" test as it applies to disabled recipients of benefits under the new cash assistance program to allow a disabled individual to maintain eligibility until monthly earnings reach $480, rather than $200 as under current SSI regulations (not in H.R. 9030).

Medicaid

Continue existing Medicaid eligibility rules as proposed in H.R. 9030 and that states be "held harmless" for additional administrative costs associated with Medicaid eligibility determinations resulting from new cash assistance program. **NACo supports full federal financing of Medicaid; and hold harmless for increased program costs generated by the act.**

EITC

Modify the existing Earned Income Tax Credit (EITC) to provide a refundable credit to families with children at a rate of 12 percent up to $4,200 (family of four) and phasing down at a rate of 6 percent thereafter.

Cash assistance subject to federal taxes

Include cash assistance payments as income subject to federal taxes (not in H.R. 9030).

Administration's Plans for CETA Bill Outlined

Continued from page 1.

programs would not be changed substantially, the bill would require legislatively that summer jobs funds be distributed by a formula.

The draft's Title V would change "manpower" to "employment and training" in the name of the National Commission for Manpower Policy and would set fixed terms for its members.

PUBLIC SERVICE employment (PSE) currently operated under CETA Titles II and VI would be combined in the draft Title VI with funding authorizations triggered by the rise and fall of national unemployment. PSE salaries would still be limited to $10,000, but employers would be able to supplement no more than 20 percent of them.

Eligibility for PSE would be changed significantly. To be hired for a PSE job an individual would have to meet one of these criteria: economically disadvantaged; member of a family receiving federal, state, or local welfare; or unemployed at least the average number of weeks of unemployment for the most recent calendar quarter.

Finally, the bill would create a new Title VII program of competitive grants to prime sponsors to develop private sector jobs for the economically disadvantaged and would retain the current Title VIII for the Young Adult Conservation Corps.

An outline of the bill is presented below.

Statement of Purpose

• Language "which will result in an increase in earned income" in describing opportunities is added.

Title I: Administrative Provisions

• Existing Title I becomes Title II in the reorganization.

• This new title incorporates the administrative provisions previously existing in other parts of the act.

• Secretary can determine whether a prime sponsor applicant during the pre-application will be designated as a prime sponsor, as opposed to the automatic designation in the past.

• Sets 20 percent ceiling on Title III based on total funds appropriated for the act, excluding funds for Title VI.

• Extends CETA for four more years.

• Divided into three parts; Part A, "organizational provisions, prime sponsors"; Part B, "general provisions—conditions applicable to all programs"; and Part C, "upgrading and retraining." The comprehensive employment and training plan (Section 103) must include job search agreement with the employment service or a description of other arrangements for that service.

• Eliminates rural Concentrated Employment Program (CEP) designation and substitutes "special program grantee" language.

Title II: Comprehensive Employment and Training Services

• Divided into: Part A, "financial assistance provisions—purpose of the program"; and Part B, "services to the economically disadvantaged—description of program."

• Emphasizes "increase in earned incomes" purpose of title.

• Retains existing Title I allocation formula.

• Provides for 90 percent hold-harmless based on fiscal '78, not prior fiscal year as in existing Title I.

• Eliminates 150 percent ceiling and 50 percent floor in existing Title I [Section 103 (a)(4)].

• Adds secretary's discretion in giving bonuses to consortia.

• Specifies that 5 percent of vocational education money only can supplement a prime sponsor grant by 10 percent, as opposed to 20 percent in existing Title I.

• Minimum grant of $50,000 for the State Employment and Training Council, SETC (formerly SMSC).

• Strengthens role of governor and State Employment and Training Council.

• Eliminates exemption of rural CEPs now defined as "special program grantees" from the allocation formula, Section 103(g) in existing Title I.

• Sets limit of 5 percent of allocation for Part C.

• Sets ceiling of 50 percent on expenditure for work experience and public service employment under Title II-B, with $8,000 salary limit on those activities.

Title III: Special Federal Responsibilities

• Divided into: Part A, special national programs and activities; Part B, research, training, and evaluation; and Part C, national employment opportunities.

• Youth programs in existing Title III-C and Section 304(a) are transferred to Title IV.

• Emphasizes secretary's right in Part A to fund program "sponsored by public or private organizations that conduct federally assisted activities in more than one state." This would allow direct funding of Community Based Organizations without review, comment, or veto by the prime sponsor.

• Increases Indian program funding from 4 percent to 4.2 percent.

• Part B adds secretary authority to fund supported employment and training projects, voucher projects, job-sharing and other alternative working arrangements.

• Adds provisions for prime sponsor agreements to outstation participants in federal agencies, the U.S. Postal Service or Postal Rate Commission, or Amtrak and Conrail.

Title IV: Youth Programs

• Includes existing Section 304(a) and Title III-C.

• Requires a review of the youth title in a report to Congress on March 15, 1980, and implies a desire for amendments effective in fiscal '81.

• Divided into: Part A, youth employment demonstration programs; Part B, job corps; and Part C, summer youth program.

• Summer youth program includes allocation formula of new Title II (old Title I) with 50 percent of funds based on last summer's allotment.

• Up to 1½ percent of summer funds are reserved for secretary discretion.

• To the extent that funds are available, there will be a 100 percent hold harmless on prime sponsor slots in the previous year summer program.

Title V: National Commission for Employment and Training Policy

• Presidential appointments shall be for two year terms except that in the case of individuals appointed before Sept. 30, 1978, not less than five members shall be reappointed for terms of one year each.

Title VI: Public Service Employment Program

• Combines existing Titles II and VI into one program.

• Provides a base authorization of $1 billion.

• Provides an additional authorization of $1 billion "... the first time the national unemployment rate for the most recent calendar quarter in any period of four consecutive quarters exceeds 4.5 percent."

• When the nation's unemployment rate for the most recent calendar quarter is higher than the national unemployment rate for each of the preceding three calendar quarters, an additional $1 billion is authorized for each additional whole one-half of a percentage point by which the rate for such calendar quarter exceeds 4.5 percent, except that the amount so obtained will be reduced by an amount equal to any sums already appropriated for the most recent four calendar quarters.

• Provides that 85 percent of the funds allocated to prime sponsors shall be used for wages and employment benefits.

• Not less than 2 percent of funds appropriated shall be reserved for Native American entities.

• Provides that 80 percent of the funds are to be allocated by formula with 20 percent for secretary's discretion.

• The allocation formula is identical to the existing Title VI formula with the exception that the 25 percent weighting applied to excess number of unemployed over 4½ refers to the greater of "the number which represents unemployed persons in excess of 4½ percent of the labor force in the jurisdiction of the prime sponsor in whose jurisdiction such persons reside or the number which represents unemployed persons in excess of 4½ percent of the labor force in areas of substantial unemployment located in the jurisdiction of such prime sponsor."

• Participation is limited to 78 weeks with no more than 26 weeks of prior Public Service Employment counted as part of the 78 weeks.

• The program agent concept is retained.

• Supplementation of Public Service Employment wages limited to 20 percent, with a ceiling on federal contribution to wages at $10,000.

• Title VI client eligibility is limited to: economically disadvantaged; individuals who are members of families receiving welfare payments under a federal, state or local welfare program; and individuals who have been unemployed for at least the seasonally adjusted average duration of weeks of unemploymen for the most recent calendar quarter.

• "Economically disadvantaged" is defined in Title I as "a person who receives or is a member of a family who receives cash welfare payments under a federal, state or local welfare program; has or is a member of a family who has a total family income which, in relation to family size, does not exceed the poverty level determined in accordance with criteria established by the director of the Office of Management and Budget or 70 percent of the lower living standard income level, whichever is higher; is a foster child on behalf of whom state or local government payments are made; or in cases permitted by regulations of the secretary, is institutionalized in a sheltered workshop, prison, hospital, or similar institution."

Title VII: Private Sector Jobs for the Economically Disadvantaged

• Purpose targeted to placing economically disadvantaged individuals and young adults into private sector jobs; prime sponsor would establish local industry job councils.

• Competitive application for funding of prime sponsors.

• Emergency economic adjustment assistance also exists for prime sponsors in areas of severe economic dislocation, including those caused by plant closings, mass layoffs, or natural disasters to provide job services for displaced workers.

Title VIII: Young Adult Conservation Corps (YACC)

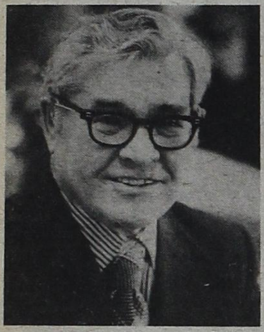
• Retains YACC program as authorized in P.L. 95-93, Youth Employment and Training Act of 1977.

• Authorized through fiscal '80.

Counties Will Miss Lee Metcalf

WASHINGTON, D.C.—The death this month of Sen. Lee Metcalf marks the end of a distinguished career of service for Montana and the nation.

Metcalf began in public office in 1936 as a representative from Ravalli County in the state Legislature and was elected to the U.S. Senate in 1960. In between he served as an assistant state attorney general, an associate justice of the state Supreme Court and as a U.S. representative.



Sen. Metcalf

Bill Brinkel, county commissioner, Stillwater County, Mont., and first vice president of the Montana Association of Counties, summed up the view of many people in the state when he said, "County officials as well as all Montanans appreciate the outstanding contributions of Lee Metcalf. He was instrumental in the enactment of the National Wilderness Act, which has helped save wilderness areas all over the country. A good example is the Bear Tooth Wilderness in Stillwater County.

"County officials in Montana particularly appreciated his support of the General Revenue Sharing program and payments-in-lieu. We also recognized his contributions to help enact consumer, recreation, and government reform programs. We will miss him."

In the Senate, Metcalf was unanimously chosen in 1963 as acting president *pro tempore* and was reelected ever since, serving in this position longer than any other senator.

Metcalf participated in developing legislation dealing with conservation and environmental protection over the past decade and he sponsored additions to the nation's wilderness and parks system.

Beginning in 1956, he sponsored wilderness preservation legislation, eventually enacted in the Wilderness Act of 1964, giving statutory protection to wilderness areas throughout the country.

He joined in sponsoring legislation for the inventory of the nation's outdoor recreational resources and needs (the Land and Water Conservation Fund Act of 1965), and, similarly, was a sponsor of the following laws to combat air and water pollution:

- Clean Air Act (1963) and Amendments (1965 and 1966); Air Quality Act (1967); and Air Quality Improvement Act (1970) incorporating provisions of three Metcalf bills).
- Water Quality Act (1965); Clean Water Restoration Act (1966); and Water Quality Improvement Act (1970).
- Solid Waste Disposal Act (1965); and Resource Recovery Act (1970).
- Strip Mining Act (1976).

Metcalf also maintained an active interest in labor and manpower legislation and efficient use of the nation's energy resources. Before his death, he was a member of the conference committee deciding major energy legislation.

In 1961, he joined in introducing legislation calling for creation of a Youth Conservaton Corps, patterned after the Civilian Conservation Corps of the 1930s. This proposal was incorporated into the Economic Opportunity Act of 1964.

He cosponsored the Area Redevelopment Act of 1961, to aid economically depressed areas; the Public Works and Economic Development Act of 1965, to encourage regional economic development; and the Rural Development Act of 1972.

He also maintained a particular interest in conservation of the nation's forests and their resources. He was critical of overemphasis on commodity uses, especially the cutting of timber at high elevations in important watersheds, and he advocated restricting timber harvesting to those areas where intensive management could assure rapid regeneration.

He sponsored legislation which was the forerunner of the Forest and Rangeland Renewable Resources Act, enacted in 1974, calling for a nationwide assessment of resources and a statement of goals by the Forest Service extending beyond the turn of the century.

In 1973, Metcalf conducted hearings on proposals for strengthening control over the federal budget that resulted in enactment the following year of the landmark Congressional Budget and Impoundment Control Act.

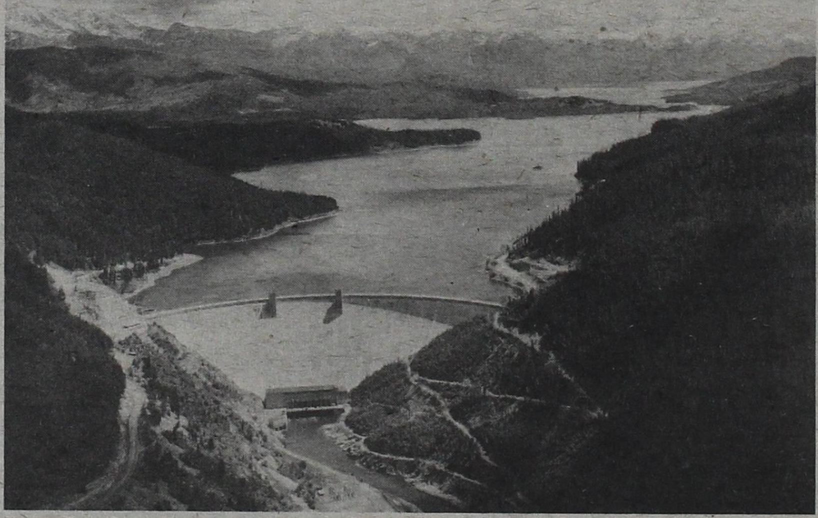
SESSION SCHEDULED AT WIR CONFERENCE

Coming to Grips with Water Policy

WASHINGTON, D.C.—Several times during his recent tour of the West, Vice President Walter Mondale assured his audience that "we have never nor will we ever pre-empt or interfere with state, local or private water rights in this country." The statement, which often brought cheers, refers to the review of national water policy now winding up in Washington with the President's recommendations expected in March.

President Carter kicked off 1977 with his "hit list" of water projects—dams, channelization and irrigation projects that he considered to be of "doubtful necessity," economically or environmentally. The ensuing struggle with Congress over these 19 projects resulted in uneasy compromise.

In his Environmental Message to Congress in May, the President ordered a study of the way all federal water projects are funded. Rather than consider projects one by one, he said, "We need comprehensive reform of water resources policy with conservation as its cornerstone."



Hungry Horse Dam in Montana was built by the Bureau of Reclamation for flood control and hydropower generation.

(Photo courtesy Bureau of Reclamation.)

Study Draws Protest.

However, initiation of the Cabinet-level study this summer sparked waves of protest from western interests, the National Governors' Association and other state groups, as well as the U.S. Senate. In September a sense of the Senate resolution persuaded the President against implementing any policy changes without concurrence of the Senate and extensive consultation with the states.

The study was intended to explore ways to encourage more efficient use of both water and federal dollars. The original study group's option papers, on which public hearings were held, presented a number of alternative solutions to a broad range of issues. The topics ranged from changes in goals for water projects, cost-sharing reforms and federal bureaucracy reorganization to water conservation and pricing policies, water rights and water research. The alternatives ran the gamut from increased state control to increased federal control and included, in most cases, retaining the status quo.

Both the latest drafts of these reports and assurances by the Vice President this month indicate that Carter's ultimate proposals might not be as revolutionary or as far-reaching as suspected. The more politically explosive options seem to have disappeared.

There does, however, seem to be some congressional interest in comprehensive reform of water policy, provided both Congress and the states are extensively involved. Members of Congress are waiting to hear the President's recommendations for change.

What is "Federal Water Resources Policy?

Federal agencies operate construction, grant, and loan programs for water development, flood control, irrigation and other purposes, as well as programs which affect water resources. Some examples include: dams built by the Army Corps of Engineers or Bureau of Reclamation, channelization projects for flood control, grants and loans from the Farmers Home Administration for community water supply projects, and the Environmental Protection Agency's wastewater facility construction grant program.

Part of the problem the Administration has identified is that these programs operate under different goals and procedures, and, therefore, may be at cross-purposes. They may also conflict with non-water-related federal program goals.

Under a national water policy "with conservation as its cornerstone," all federal water-related projects would be examined in this context. How this should be accomplished and how far consistency should be applied is now being examined.

What Should the Goals of a National Policy Be?

Federally constructed projects are currently guided by the twin goals of environmental protection and national economic development. Should others be added? Some feel regional development is as important as national economic return. Others suggest that concepts of social well-being be considered. How water conservation as a national goal is incorporated into the workings of federal government could affect growth and commerce everywhere.

Who Should Pay, Plan, Build?

A wide range of federal programs require the costs of the project to be shared by its nonfederal beneficiaries by paying some of the capital cost or by paying for the services of energy or water supply.

Existing cost-sharing policies have been set down over the years by uncoordinated actions of Congress and Administrations. The level of nonfederal cost-sharing among programs may differ considerably—causing confusion, inefficiency, and an inequitable distribution of costs. Local governments may decide on one solution to a water problem over another one because the funding package is better, with environmental or social considerations taking a back seat.

A basic problem with the existing morass of funding alternatives is that water resources are underpriced and, therefore, conservation may be discouraged.

The options for changing cost-sharing policies to encourage conservation in most cases also reduce the burden on the federal treasury, furthering President Carter's goal of balancing the budget.

Some of these options propose shifting the responsibility for planning and building most water projects totally to the state level. This would have the advantage of giving states the flexibility to address their own goals, but the disadvantage of increasing their financial and administrative obligations.

Developing a national water policy that is equitable, environmentally sound and politically viable will be a tough job. The issues are complex. Some are grounded in technology; others touch the heart of our traditional political system. To help NACo understand and participate in the process, representatives from the Department of Interior and from the Western States Water Council have been invited to the Western Interstate Region Conference to discuss national water policy with county officials. The Water Resources Policy session will be held Feb. 9 at 2:15.

Memories of Hubert H. Humphrey

by Bernard F. Hillenbrand
NACo Executive Director

If Vice President Hubert H. Humphrey was tired from his five-day fact finding tour of Viet Nam he certainly didn't show it.

Just a few hours after his return, he was back in his crowded domestic schedule for an evening meeting with the executive directors of the associations of state and local government. He was full of enthusiasm about the job American soldiers were doing in "Nam".

"Our Army medical system is unbelievable," he said. "Yesterday I was in a general hospital in Guam and there was a GI who was wounded by a sniper's bullet just the day before. He was evacuated from Viet Nam by helicopter and jet in less than a full day. It's amazing how many men are saved who in previous wars would have been lost," he enthused.

HUMPHREY continued: "This soldier was hit in the chest and his life was probably saved because he had a magazine under his jacket."

At the time NACo published *County Officer* magazine. I jokingly suggested to the Vice President that, since he was addressing our NACo meeting the following month, he might want to tell them that the magazine which saved the soldier's life was *County Officer*.

"I wouldn't mind at all", he quipped. "I'm like the school teacher who applied for a position in a rural Tennessee school. The hottest issue before the board was the question of teaching Darwin's theory of evolution and the board asked him how he felt about the issue. The teacher knew that if he came down on either side he might alienate a portion of the sharply divided board and he desperately needed the job. Therefore he paused a moment and slowly replied, 'I can teach it either way.'"

After the laughter subsided, Humphrey noted, "Bernie I'll make it *County Officer* if it will help NACo. But the magazine actually was *National Rifleman.*"

THIS WAS just one of many personal experiences with Humphrey over my two decades of representing cities and counties in Washington. All were productive; all memorable.

Humphrey understood local government like very few people. He was on NACo's side on almost every major issue we tackled, including general revenue sharing, welfare reform and payments-in-lieu of taxes. In fact, my first contact with the senator was when he sponsored a bill in the mid-fifties to provide payments-in-lieu of taxes on federally owned land. President Eisenhower was hostile to the legislation. And with enormous effort and skill Sen. Humphrey almost single-handedly passed it through the Senate in 1959. Payments-in-lieu died in the House that year, but ultimately became law (with Sen. Humphrey's vote) in the 1976 legislative session.

A good laugh resulted when Sen. Humphrey was the scheduled banquet speaker at NACo's July, 1968 annual conference in Washington, D.C. President Johnson was a shoo-in to be nominated for President and was canvassing a dozen people for possible running mates. One of them was Humphrey. President Johnson presumably would be watching the reaction of our county officials and of the news media to the speech which was scheduled while the Democratic Convention was meeting in Atlantic City.

WHILE MAKING NACo banquet plans, the hotel banquet manager asked me if we wanted a spotlight. I said that in view of the importance of the occasion we would spend the $50 that it cost to hire a spotlight operator.

"Is there any possibility that the senator will speak longer than 25 minutes," the banquet manager queried?

We both laughed. "In that case," he said, "NACo would have to have two operators and two operators would have to have a supervisor—at a cost of nearly $200." I debated and decided to go ahead with the two lights.

The night came and the senator got up to speak. As we aimed the spotlight on him, he raised his hands before his eyes and said:

"Please turn off the spotlight. I'm not an actor, I'm a working politician and I don't need that light."

IN HIS ROLE as a leader and as the county government liaison through the office of Vice President in the Johnson Administration, Humphrey spoke at many NACo meetings. He was alway thunderously received and always long-winded. On one occasion he gave three speeches on three separate subjects one after another. But he kept the audience on the edge of their seats for more than an hour.

He once quipped that he had received a letter asking him to deliver a five minute speech and wrote back saying: "The last time I spoke for such a short time was when I said good morning to my wife."

Humphrey also made headlines at many NACo appearances. One in particular occured in the summer of 1966 at our New Orleans annual conference.

This was a period of rioting and racial strife. With emotion sparked by compassion for the suffering, he said:

"I want to say right now that as hot as it has been in America this summer—I would hate to be stuck in the fourth floor of a tenement with the rats nibbling on my kids' toes—and they do— with the garbage uncollected—and it is— with the streets filthy, with no swimming pools, with little or no recreation— I would hate to live in those conditions and I want to tell you, if I were in those conditions— if that should happen to have been my situation, I think you would have had a little more trouble that you had already, because I have enough spark left in me to lead a mighty good revolt under those conditions."

HE WAS PERSONALLY as well as verbally fearless. The 1967 riots in Detroit started just before NACo's meeting convened.

President Johnson, who was confirmed as the banquet speaker, cancelled. Humphrey came instead. Although there were angry demonstrators in front of the hall and turmoil in the city, Humphrey came filled with pep and vitality and no sign of apprehension.

It gave all of us on the staff the willies to look down at the bottom floor of Cobo Hall and see the bomb disposal truck fully manned. Outside the speaker's dias there were patrol boats on the Detroit river. We thought the Vice President would give a short speech and scram. Not Humphrey— he talked for more than an hour and had the audience, as usual, absolutely enthralled.

Humphrey handled disappointment with realism. I talked to him the morning after his defeat by Sen. Robert Kennedy in the West Virginia presidential primary. We were at a congressional hearing where I was testifying.

He told me, "You know they say adversity strengthens the soul. But I'm also sure that victory strengthens the soul. And I think it would have been much more fun to have won yesterday."

FOR MY PART, the only really sad occasion I had with him was the day he left office as Vice President. I took my family to say a temporary goodbye. I thanked him for the tremendous job he had done as liaison with counties and other state and local governments in his stint as Vice President.

But, again, he was full of good spirits and said:

"You know, Bernie, I'm obviously disappointed that I didn't get to be President. But just look at how lucky I am to have been at least a small part of all of these great events. I'm grateful to NACo and the just hundreds of organizations and individuals that really made it possible for me to serve."

Yes, he was a working politician. He was proud of that calling. He made all of us who toil and live and breathe in that profession feel proud. He wanted so much for this country and he never quit trying.

As a tribute to Hubert Horatio Humphrey, we must build that pride and professionalism. The lessons are there. He taught us to serve, to live, to love, to enjoy and . . . to leave.

The Search Is On

Announcing the 1978

County Achievement Award Program

Deadline for Entry: Feb. 17, 1978

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 History: 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 detailed. 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, 8-1/2'' x 11'' pages and must include all information requested on the following outline. When including supportive data, please place it in a 9-1/2'' x 12'' manila folder to ensure it does not become separated from the case study.

I. Historical Background (use exact dates)
   A. Need for program
   B. Responsibility for program development
   C. Role of the county
   D. Role of other governments, civic groups and press (if applicable)
   E. Means of financing
   F. Law under which program exists

II. Summary of Program's Accomplishments

III. Prospects for Future of Program

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.

1978 New County Achievement Award Entry Form

County____________________ State ____________________

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

____

____

____________________ ____________________

Signature

Title of Case StudyProgram 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
202/785-9577

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

Deadline for all entries to be received by New County, U.S.A. Center is Feb. 17, 1978. For more information call Joan Paschal or Linda Ganschinietz.

More for Less in Times of Change

An Open Invitation:

On behalf of the National Association of County Engineers (NACE), I extend an invitation to attend our 18th annual management and research conference, Feb. 15-18 at the Grand Hotel in New Orleans, La.

The theme of our conference is "More for Less in Times of Change." Sessions are of interest to all county government officials.

On Thursday, Feb. 16, our keynote address will focus on the nation's energy outlook. Workshop sessions on Thursday will concentrate on proposed surface transportation legislation, including discussion of the Department of Transportation's legislative package. In the afternoon, the National Association of Counties Research, Inc., NACE, and the Federal Highway Administration are sponsoring a workshop to improve the process of technology transfer. Thursday evening there will be a boat trip on the bayou.

Our program Friday morning, Feb. 17, deals with highway safety and urban and rural transportation. Friday afternoon we will have a session on communications among governments and on NACo's bridge campaign. We will also hear reports from state associations of county transportation officials and a report from NACo's legislative representative for transportation.

For more information on the NACE conference, including hotel reservation and registration forms, please contact Marlene Glassman at NACo. I look forward to seeing you in New Orleans.

—**Milton L. Johnson, P.E.**
NACE President

Matter and Measure

SPECIAL MESSAGE TO STATE ASSOCIATION PRESIDENTS

As usual, we are devoting conference time to state association reports. I hope each of you will attend the conference and have prepared a five-minute report on state association activities during the past year. I ask that you emphasize on outstanding accomplishment. (A typed copy for staff would be greatly appreciated.) The state association reports are scheduled for Friday, Feb. 17, from 3:30-5 p.m.

—**Milton L. Johnson**

HIGHWAY SAFETY PROGRAM STANDARDS

The National Highway Traffic Safety Administration and Federal Highway Administration have extended the interim incentive grant criteria for reduction of annual state highway fatalities through fiscal '78 (*Federal Register*, Dec. 27). This action will continue in effect the criteria specified in Part 1214 (Code of Federal Regulations) and the interim criteria specified in Part 1215 pending the development of new incentive grant program legislation for fiscal '79.

The Department of Transportation has received comments on incentives for reducing highway fatalities, but there was no agreement on the mechanism the department should follow. According to the Dec. 27 *Federal Register* notice, "the only unifying thread to the comments was a general dissatisfaction with the entire nature of the incentive scheme."

A DOT study evaluating the effectiveness of the highway safety program reached similar conclusions on the usefulness of the incentives. As a result, legislation is being drafted to develop an incentive program based on rewarding states that adopt special highway safety programs.

DOT continues to request comments on what the highway safety incentive program should be. Send comments to Docket No. 76-09, Docket Section, National Highway Traffic Safety Administration, Room 5108, 400 Seventh St., S.W., Washington, D.C. 20590. It is requested, but not required, that 10 copies be submitted.

DOT LEGISLATION

Department of Transportation (DOT) Deputy Secretary Alan Butchman said recently that new highway and transit legislation proposed by the department would give rural areas better access to federal assistance. (NACo is carefully examining this legislative package.)

Speaking before the Rural America Conference in Washington, D.C., Butchman cited some provisions of the Administration's proposed bill.

- Transportation planning will be consolidated and required on a statewide basis, as well as within urban areas. "We believe transportation grants can be made more useful to local officials if highway and transit planning funds are consolidated into a single grant and disbursed on a formula basis. Our objective is to make it possible for communities—rural and urban—to plan their entire transportation system," Butchman said.
- Funds will be transferable between highway and transit projects for all areas with a population below 50,000. Up to 50 percent of highway funds would be eligible for transit capital projects. This is expected to improve the access or rural areas to federal assistance for both transit and highway projects.
- DOT is recommending that the federal matching share for urban highway transit and rural highway transit programs be equalized. According to DOT, this will encourage local officials to propose projects based upon need, not the amount of federal aid available.

These and other provisions of DOT's legislative package will be discussed in workshop sessions Feb. 16 during the NACE annual management and research conference in New Orleans.

HIGHWAY PHOTOMONTAGE

FHWA will present Demonstration Projects on Highway Photomontage No. 40 on Feb. 7 at the Texas Department of Highways and Public Transportation in Austin—contact Roger Merrill, Field Coordination Engineer, (512) 475-7336—and on Feb. 9 at the Louisiana Department of Transportation and Development in Baton Rouge—contact Jack Reid, Chief Location and Design Engineer, (504) 389-5241.

DOES DISCLOSURE HURT?

Local Budget and Labor Relations

EDITOR'S NOTE: The following excerpted article appeared in the December 14, 1977 edition of the Daily Bond Buyer and is reprinted here with permission.

By Charles C. Mulcahy and Paul R. Schilling

The Securities Act Amendments of 1975, the advent of the Municipal Officers Association Disclosure Guidelines, and the spectre of federal and state disclosure legislation on the horizon have served to increase dramatically the quantity of disclosure in the sale of municipal securities. Naturally, the focus has been on more reliable and accurate disclosure of financial data on the municipal issuer. The call is out for independently audited financial statements.

Inadequate funding of public pensions is a matter of growing concern. But an increasing number of financial advisers, underwriters and investors are looking beyond financial data to the broader question of the ability of a municipality to stabilize and control its financial condition. A key to determining whether a municipality will succeed in coping with current and future budget problems is an assessment of that municipality's overall employment-relations program.

Employee wages and benefits constitute between 60 and 80 percent of nearly every municipal budget. This is not particularly surprising due to the fact that municipalities provide services, not products. Although many states do not yet have comprehensive public employee-bargaining legislation, and many municipalities are not now organized by unions, public employee unions are the fastest growing labor organizations in the United States.

Moreover, public employee union impact on municipal government goes far beyond collective bargaining. Unlike private sector unions, public unions have direct access to management. They are frequently watching from the front row at government meetings, armed with their own statistics. ... They are adept at bringing external forces to bear on management. ... In many instances, unions know more about municipal budgets than public officials. The result is that public employee unions have significant influence on the budget in terms of cash or debt financing, and more importantly, in terms of allowing municipalities the necessary flexibility to efficiently manage their operation and meet their debt requirements.

Mulcahy is president of the Wisconsin law firm, Mulcahy & Wherry, S.C. and a former chairman of the Labor-Management Steering Committee. Schilling, a member of the firm, is a former assistant attorney general who served as a bond counsel for the state of Wisconsin.

Trends are emerging concerning the disclosure of public sector labor matters. Pension information is being more fully discussed in disclosure materials. ... The adequacy of funding, and equally important, the level of benefit obligations have become serious disclosure concerns. ... The MFOA Disclosure Guidelines recommend that the footnotes to a governmental entity's financial statements include "provisions of public employee retirement systems, including costs, liabilities, unfunded obligations, actuarial assumptions and most recent valuations."[1] Thus, an easily identifiable trend is that municipalities will be disclosing more complete information on the condition of its pension funds.

Labor relations per se are dealt with in Section IV of the MFOA Disclosure Guidelines. The provisions regarding both general obligation issues and revenue issues require that the issuer disclose the number of persons employed and percentage of those employed who belong to unions or other collective bargaining groups. Disclosure requirements for both conclude with the statement, "characterize employee relations."[2]

The MFOA Disclosure Guidelines provide little guidance as to the broad task of characterizing labor relations.[3] We suggest consideration of the following factors when determining what an issuer should disclose with respect to its labor relations:

• **The Legal Framework:** Must the issuer enter into collective bargaining? Is the issue subject to compulsory arbitration? May employees resort to strikes or other forms of work stoppages? If not, have illegal work stoppages been successfully enjoined?

• **Extent of Organization:** How many employees does the issuer have? What percentage is organized? Which employees are organized, and what local and/or national organizations are they affiliated with? Are efforts underway to organize those employees not yet organized?

• **Management Staffing and Sophistication:** What department and/or individual(s) of the issuer are responsible for labor-management relations? What is the relationship between these individuals and those responsible for municipal finance? Is the bargaining and contract administration handled by full-time staff? Does the issuer use professional labor negotiators?

• **Bargaining Track Record:** How long has the issuer collectively bargained? How often are contracts negotiated? Have there been job actions, work stoppages and/or strikes in the past? Is there any reasonable expectation of labor unrest in the future? Do the labor agreements negotiated provide public management with sufficient management authority to properly manage the municipality?

• **Contingency Planning:** What was the impact of past job actions, work stoppages and/or strikes? How would the issuer continue its functions in the event of a work stoppage? Could the collection or revenues and processing of debt service be interrupted?

The last question dealing with bargaining track record needs to be emphasized. Since contract language tends to become a permanent part of the labor-management relationship ... it is interesting to speculate as to whether the absence of language needed to protect the rights of a public employer (such as an adequate management rights clause) should be disclosed. It is certainly a material fact if a municipality does not have sufficient legal authority to correct foreseeable financial problems. ...

Disclosure of labor difficulties need not prevent an issuer from going to market if the financial community is confident that the issuer can cope with those difficulties. A case in point is the recent $39 million general obligation bond issue by the state of Wisconsin.

On July 3, 1977, six bargaining units of state employees, all of which belonged to a single union, called a strike. At the time of the strike (which lasted several weeks), the state of Wisconsin was planning the above-referenced bond issue. When the State Building Commission adopted the authorizing resolution, agreement had been reached between union and state negotiators, and all striking workers had returned to work; but the committee of the Wisconsin Legislature on employment relations refused to recommend ratification of the contract to the full legislature. A resumption of the strike was a distinct possibility.

The official statement prepared in conjunction with the sale included extensive disclosure on the current status of the dispute as well as discussion of the state's success in continuing to deliver critical services during the work stoppage.[4] It was revealed that the strike did not disrupt the state's financial operations or condition and that the cost of emergency operations was substantially less than the wages forgone by striking workers. It was also revealed that the cost provisions of the new labor contract (which was subsequently ratified and executed) were anticipated in the recently adopted state budget. The bonds were sold at a very favorable rate. ...

Municipalities which have organized public employees are involved in a number of continuous struggles with respect to the municipal budget. The budget includes not only the significant portion devoted to employee-related costs, but it also establishes the method of financing certain expenditures (cash or debt) and the priority of debt-servicing matters. If elected officials are not constantly made aware of the implications of their actions concerning employment relations matters, decisions may be made which will have devastating long-range effects upon the municipality and its credit situation.

It is important to identify continually the payment of debt obligations as a top priority. It is also important to focus some attention on the importance of a government unit understanding all of the costs of its labor obligations. And it is very important to recognize the need to retain sufficient management flexibility for restructuring, cutting back or taking whatever other reasonable steps are necessary to provide budget stability. ...

Due to the frequent turnover of elected officials, coupled with political pressures, as well as a lack of understanding of the overall process, many long-range labor decisions are made which have a negative financial impact on the municipality. One year, for example, municipal officials agree to pension changes which they do not actually understand from an actuarial standpoint to avoid labor strife. The next year, to avoid the same type of potential conflict, concessions are made which significantly reduce the management authority of municipal department heads.

Such concessions are attractive to municipal officials because of a minimal impact on current tax levies. But, in both instances, the union probably stated at the bargaining table that employees would take substantially less in wages and other fringe benefits in return for the pension or contract language concessions. This is done to ensure that if the municipality ever attempts to undo what was given, even to avoid a municipal bankruptcy, the union has the opportunity to bring up past concessions as a point of bargaining.

Such concessions cannot often be given up without corresponding financial adjustments in other areas. Financial advisers, therefore, should be aware of these pitfalls and provide counsel to municipal officers to avoid this sort of irretrievable mistake.

With the added significance of disclosure, some financial advisers and underwriters are looking to limit rather than expand their areas of responsibility. But, it is submitted that because of the concern of municipal officials regarding financial institutions' opinions of their credit-worthiness, financial advisers and underwriters may be in the best position to exert the necessary influence to promote the awareness and planning necessary for stabilizing and controlling the personnel portion of municipal budgets.

Because the personnel portions of budgets are too large to ignore, and the growth of public employee unions is too dramatic and successful to underestimate, every municipality must carefully evaluate its current commitments to employees and evaluate its ability to control the growth of those commitments. ...

[1] See Municipal Finance Officers Association Disclosure Guidelines for Offerings of Securities by State and Local Governments, Dec.1976, Section VI B(3).

[2] Ibid., Section IV A(8) with respect to general obligation issues and Section IV B(6)(g) with respect to revenue issues.

[3] Added insight is provided by exposure draft 10/1/77 of a sample official statement for use in Massachusetts, prepared by Palmer & Dodge and Peat, Marwick, Mitchell & Co., which was used as a discussion document at the recent MFOA Colloquia on Disclosure and Current Reporting for State and Local Government Securities Offerings. See pages 8, 18 and B-4.

[4] Official Statement, $39 million State of Wisconsin General Obligation Bonds of 1977, Series C, Oct.1,1977 at page 28.

IPA Mobility Assignments Detailed in Packets

WASHINGTON, D.C.—Mobility assignments, authorized since 1970 under the Intergovernmental Personnel Act (IPA), have made possible the sharing of talent between the federal government and states, local governments, Indian tribal governments, and colleges. The program aims at improving the quality of public service by making employees with unique qualifications available whenever and wherever they are needed to solve a specific problem.

NACo's newest Mini-Management Packet describes the goals and features of the program and gives examples of successfully completed assignments. Also included in this 32-page packet are a bibliography, sample assignment agreement and the names of those in charge of mobility assignments in federal executive agencies.

Mini-Management Packets, sponsored by the National Association of County Administrators, are designed to help county officials keep up-to-date on issues and actions that affect administration and management. Packets vary in composition but may contain studies, reports, newspaper articles, surveys or bibliographies. The information is kept current and individual pieces may be changed from time to time.

The packet on mobility assignments is part of an attempt by NACo and the International Personnel Management Association (IPMA) to increase awareness of the program.

Although participation has been growing each year, the U.S. Civil Service Commission, which administers the program, has lacked staff for a major effort at matching talents to needs. NACo and IPMA have, therefore, cosponsored a mobility information clearinghouse which will undertake this talent search.

Since the inception of the program, mobility assignments have been used by over 40 federal agencies, all 50 states, nearly 350 county and municipal governments and about 400 colleges and universities. Employees are assigned, with their consent, for periods from two months to two weeks. Participants find it an advantage that minimal paperwork and little lead time are required to arrange an exchange.

One way in which counties can benefit is by the assignment of federal employees to help implement federal legislation.

This happened in King County, Wash., where an employee of the Department of Housing and Urban Development is on loan to manage the county's housing and community development block grant program. A civil engineer from the Department of Agriculture's Soil Conservation Service helped prepare development standards for a 12-county area in Georgia.

The exchange works the other way, too, and experts from state and local government can bring their day-to-day experience to bear on the development of federal programs.

Information on the clearinghouse may be obtained from Moses A. Wilds Jr., Grants Manager, IPMA, 1850 K St. N.W., Suite 870, Washington, D.C. 20006. The new Mini-Management Packet is available for $1.40 from the NACo Publications Desk, 1735 New York Ave. N.W., Washington, D.C. 20006.

Please send Mini-Management Packet on Mobility Assignments to:

Name ____________________ Title ____________

Address ______________________________________

County ________________ State ________ Zip ________

☐ Check enclosed

Court Rule Aids County Tax Laws

KENTUCKY—Counties here have benefited from a ruling last month by the Kentucky Supreme Court in which the court modified its stance on the state's home rule law.

Last September the court ruled that the law was unconstitutional on two counts: it was an overly broad delegation of the state's authority, and the recipients of this authority, the county fiscal courts (governing boards), were not legislative bodies as defined by state law.

The effect of the September ruling was to place in jeopardy all county ordinances passed under the state's home rule law. The fiscal stability of several counties was in peril, since they had enacted local tax laws in order to pay off outstanding debts.

The Supreme Court was persuaded to revise its ruling after receiving a petition from the Kentucky Judges' Association and several counties. The modified ruling deleted the finding that the fiscal courts are not legislative bodies under state law. Fiscal courts, therefore, may legally exercise all appropriate legislative powers, including the passage and execution of ordinances.

The court, however, stood by its finding that the home rule law was unconstitutionally broad, saying that "the thoughtful, purposeful and deliberate delegation of a known power is required of the General Assembly. It is here that KRS 67.083 (the home rule law) differs from the myriad of effective specific grants of power which appear in other statutes."

The court directed the General Assembly to delegate its powers "with the precision of a rifle shot," and not "the casualness of a shotgun blast." Section 181 of the state Constitution, however, allows the General Assembly to delegate the power to impose licensure, franchise and occupational taxes, so the county-imposed taxes being used to pay off debts are on sound legal ground.

Other county ordinances, passed under the authority of KRS 67.083, are rendered null and void by the ruling. County officials plan to work with the General Assembly to enact legislation during its 1978 session which will specifically grant the county fiscal courts the powers to adopt certain types of ordinances, thereby allowing most of the existing county ordinances to stand.

Another area which the General Assembly must address is the question of supremacy of county ordinances over municipal ordinances. The court's ruling does not address this question, and a problem of overlapping jurisdictions in some areas exists.

The Kentucky Association of Counties (KACo) has been actively involved in the home rule issue since the law was first passed in 1972. Any questions should be addressed to Scott Wilson of the KACo staff.

Erway Heads Aging Council

HARRISBURG, Pa.—Eugene Erway, commissioner, Potter County, Pa., was recently appointed by Gov. Milton J. Shapp to the Pennsylvania Council on Aging.

Shapp described the Council on Aging as "a unique approach to the need to assure that all programs of state government protect and advance the rights of older citizens to a full and productive life."

Shapp added that the council represents "every region of the state, labor and business, local government, health and social service professions and senior citizen activities."

Erway has long been active in the support of aging services. For several years he has served on the Human Services Committee of the Pennsylvania State Association of Counties that deals with aging problems, and he is chairman of a four-county Office of Human Services Board that administers local aging programs.

Last year he was a member of the Task Force on Aging/Convening Committee for NACo's three conferences on counties and the elderly.

Erway said he was honored by the governor's appointment and that he has found his involvement in aging services over the years to be "very educational and personally satisfying."

Job Opportunities

Director, Substance Abuse Service Center, St. Clair County, Mich. Salary open. Applicant will be responsible for developing and carrying out a long-range plan of program administration, counseling, reporting and budgeting. Resume to: Gerald H. DeVoss, Director, St. Clair County Office of Substance Abuse Services, 1025 Huron Ave., Port Huron, Mich. 48060.

County Planning Director, Indiana County, Pa. Salary open. Requires master's degree in planning with three years administrative and supervisory experience or bachelor's degree in planning with six years professional experience. State certification required. Resume to: Personnel Department, Courthouse, Indiana, Pa. 15701.

Executive Director, Midas Council of Governments, Fort Dodge, Iowa. Salary $16,728 to $21,348, depending on experience. Responsible for a six-county regional planning agency; should have broad administrative experience, including working knowledge of HUD 701, CETA Title III, EPA 208, and Public Transportation Planning and Implementation. Requires bachelor's degree in planning or public administration and at least three years increasingly responsible experience; or a master's degree in planning or public administration and at least two years administrative experience. Requires considerable knowledge of the principles and practices of regional planning and the ability to supervise professional staff. Resume by March 31 to: Peter Olson, Acting Executive Director, Midas Council of Governments, 12 South 10th St., Fort Dodge, Iowa 50501.

Highway Superintendent, DeKalb County, Ill. Salary commensurate with experience. Responsible for direction of county highway department, and provision of advice and construction planning assistance to township road commissioners. Requires a currently valid Illinois certificate of registration as a registered professional engineer, a bachelor's degree in civil engineering and five years experience in civil and highway engineering or in the construction and maintenance of streets or highways, or both. Two years of experience in the management of highway construction and maintenance operations preferred. A résume by Feb. 15 to: DeKalb County Board, James B. Whitford, Administrator, Courthouse Annex, Sycamore, Ill. 60178, (815) 895-9161.

Personnel Director, Calhoun County, Mich. Salary $17,000. Requires ability to plan and administer a centralized personnel department. Must have a good working knowledge of public personnel administration, EEO, affirmative action and labor relations. Requires bachelor's degree or equivalency in experience. Must also possess exceptional ability to communicate and cooperate with people. Resume by Feb. 28, to: John M. Martinoff, Executive Director, Employment and Training Administration, Calhoun County Building, 315 West Green St., Marshall, mich. 49068.

Assistant to Planning and Development District, Yankton, S.D. Salary negotiable. Rural 12-county area of south central state. Applicant should possess knowledge of and experience in local government and community development with specialization in housing, public works facilities, economic growth, and public administration. Desirable training is advanced college degree or equivalent experience in such areas as public administration or urban or regional planning. Applications and further information from: Pauline Vig, Planning and Development District III, P.O. Box 687, Yankton, S.D. 57078. Closing date: Feb. 15.

Chief Property Appraiser, Maricopa County, Ariz. Salary $18,886 to $24,086. Duties include full charge of assessing operations of 5,015 parcel, $3 billion assessed evaluation office, 80 property appraisers, 100 other staff members. Must have complete knowledge of all approaches to value, including computerization assessment programs. Requires at least 10 years government appraising experience, including at least five years progressive responsibilities assessing management. Certified applicants preferred. Resume to Maricopa County Personnel Department, 111 South Third Ave., Phoenix, Ariz. 85003.

A **Capitol** Idea . . .

1978 Annual Legislative Conference

Delegates to NACo's 1978 Annual Legislative Conference can both preregister for the conference and reserve hotel space by completing this form and returning it to NACo.

Conference registration fees must accompany this form before hotel reservations will be processed. **Enclose check, official county purchase order or equivalent.** No conference registrations 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. 27.**

Conference registration fees:
$95 member $125 non member $50 spouse **(Make payable to NACo)**

Conference Registration

Please print:

Name ______________________________
(Last) (First) (Initial)
County ______________ Title ______________
Address ______________________________
City ________ State ________ Zip ________ Tele (______) ________

Hotel Reservation

Special conference rates will be guaranteed to all delegates whose reservations are **postmarked by Feb. 20.** After that date, available housing will be assigned on a **first come basis.**

Please print:

Occupant's Name ______________________ Single $32, 35, 38, 41, 43
*Arrival Date/Time ______________ Departure Date/Time ______________
Occupant's Names ______________________ Double $42, 45, 48, 51, 53
*Arrival Date/Time ______________ Departure Date/Time ______________

Send preregistration and hotel reservations to
National Association of Counties—
Legislative Conference
1735 New York Avenue, N.W.
Washington, D.C. 20006
For further **housing information** call NACo Conference Registration Center:
(703) 471-6180

***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.**