

## This Week

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Vol. 11, No. 5

# COUNTY NEWS

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

Jan. 29, 1979

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Washington, D.C.

## Carter Delivers Lean Budget

WASHINGTON, D.C.—President Carter sent his budget to Congress last week intending to hold the line on federal spending and to fight inflation. He called it necessarily "lean."

County officials over the past month had braced for major slashes in programs of special concern to them, only to find that economies made by the President to hold the budget deficit below \$30 billion as promised were, for the most part, not as drastic as expected. In some cases, gains were noted, while in others, budget cuts were offset by new funds.

NACo's Executive Director Bernard

F. Hillenbrand reacted to the President's proposed budget by saying that, "we feel a little like the condemned man who expected a 10-year sentence and then discovers the prosecutor has only asked for five."

Hillenbrand added, "The Administration's budget will, of course, force county governments to tighten their belts. Even where President Carter has proposed to fund programs at the same level in 1980 as in 1979, inflation will bite into the real dollars counties have to spend."

"Nevertheless," he said, "we believe the 1980 budget reflects a sincere at-

tempt by the President to be fair. With a few exceptions, cuts are distributed evenly and across-the-board."

An analysis by the NACo staff, along steering committee lines, is found on pages 3 to 9. Chief among NACo's budget concerns are a sharp reduction in public service jobs, less money for states and counties to shore up their criminal justice activities and no fiscal relief next year for those counties which completely shoulder the welfare burden for their citizens.

The following are highlights of the NACo analysis:

• **Employment:** President Carter proposes to reduce the number of countercyclical public service jobs (CETA, Title VI) by 158,000. In so doing, the Administration is not following the intent of the countercyclical trigger enacted by Congress last fall. At that time, Congress authorized enough countercyclical jobs for 20 percent of those unemployed in excess of a 4 percent national unemployment rate. In essence, the number of public service jobs would go up or down depending on the unemployment level.

• **Criminal Justice:** The Law Enforcement Assistance Administration (LEAA) was cut another \$111 million to \$536 million. This is the fifth consecutive cut in federal aid to state and local criminal justice programs. At a time when nearly 50 percent of all serious crimes are com-

fiscal '80 budget to provide interim fiscal relief for those states and counties which shoulder a disproportionate burden of welfare costs. In 18 states, counties administer and help pay for the federal government's major welfare program, Aid to Families with Dependent Children.

In many areas, President Carter did not trim back current funding levels. In other cases, he offset budget cuts with budget gains. Here are some programs of special interest to counties:

• **Community Development:** The HUD portion of the budget proposes \$3.9 billion for the community development block grant program, up to \$3.75 billion appropriated for fiscal '79. The budget also includes \$400 million for the urban development action grant program, the full amount authorized by Congress for fiscal '80. These funds will help counties enhance their efforts to combat neighborhood deterioration.

• **Environment and Energy:** The President recommended \$150 million to help "boomtown" communities affected by rapid energy development. He also recommended \$110 million to help state and local governments conserve energy in their buildings and operations. Both of these programs, however, are contingent on new legislation.

In the environment area, however, no new funds were authorized for local clean air planning, and solid waste management funds were reduced. Budget requests for water pollution construction grants were below authorized levels.

• **Land Use:** Although the 1980 budget would slightly cut park acquisition funds, it recommends \$150 million to rehabilitate existing parks in urban areas. Furthermore, the Administration has increased funds by

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## County Faces in the 96th

WASHINGTON, D.C.—Eight new members of the House will be bringing to the 96th Congress a special knowledge of county government and its problems.

Of the three Republicans and five Democrats, five have been members of their county governing body, two have been county prosecutors and one a sheriff. In addition, Mike Lowry, former King County (Wash.) councilman, has served in the past as NACo's chairman for roads and as president of the Washington State Association of Counties.

Of the 77 new House members, almost half have served in

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Stack



Shumway



Carney



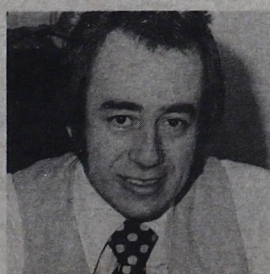
Atkinson



Lowry



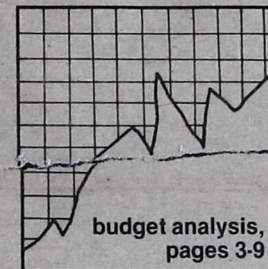
Courter



Williams



Anthony



mitted by juveniles, for example, the President proposes to cut juvenile justice grants in half, to \$50 million.

Since 1975, the federal share of state and local criminal justice expenditures has dropped from 6 percent to 2 percent.

• **Welfare Costs:** The President's proposals for welfare reform won't take effect until 1982. Meanwhile, no funds are included in the

## Smoley Enters 4th Vice President Race

SACRAMENTO, Calif.—Sacramento County Supervisor Sandra Smoley has announced her candidacy for fourth vice president of NACo. Smoley is currently vice-chairman of the NACo Health and Education Steering Committee, and a member of the NACo Board of Directors.

Smoley was the first woman elected to the Sacramento Board of Supervisors in 1972 and was reelected in 1976. During 1978, she served as president of the County Supervisors Association of California. In 1977, she was named as one of four county officials to the New Coalition, a policy-making organization of state and local government representatives, and NACo's Committee on the Future.

"It is a privilege and an honor to be active within NACo," Smoley said, "and I truly hope that I will be able to increase my participation by contributing to NACo as its fourth vice president."

Also running for the post of fourth vice president is Rensselaer County Executive William J. Murphy.

Election of officers will take place at NACo's Annual Conference to be



Smoley

held in Jackson County (Kansas City) Mo. July 14-18. County officials wishing to be considered for any office at that time should send their names to President Charlotte Williams at NACo headquarters, attn. Nominating Committee. In accordance with NACo policy, all candidates are entitled to coverage in *County News*. Appropriate information may be sent to Christine Gresock, news manager.



**PERSONNEL LEADERSHIP**—Roy Orr, right, chairman of the North Central Texas COG Executive Board, accepts a Civil Service Commission award of commendation from Bill Chiabotta of the CSC's Intergovernmental Personnel Programs Division.

## Tex. COG Lauded for Personnel Programs

ARLINGTON, Texas—The North Central Texas Council of Governments (NCTCOG) has received a Special Citation of Official Commendation from the Civil Service Commission for its comprehensive program of personnel management assistance to local governments in North Central Texas. The Special Citation is the first ever presented by the commission to an agency like the Council of Governments.

Dallas County Commissioner Roy Orr, NACO second vice president, is chairman of NCTCOG.

Eugene Rummel, deputy regional director of the Civil Service Com-

mission, cited NCTCOG's progress in:

- Increasing the level of personnel management awareness among local governments in North Central Texas;
- Providing technical assistance to the medium and smaller jurisdictions in the region;
- Functioning as a clearinghouse for information on personnel management.

He noted that these activities have strongly supported the Intergovernmental Personnel Act (IPA) objective of establishing merit-based systems of personnel administration and improving the personnel management of existing systems.

# NACo Voices Concerns on Age Discrimination Regs

WASHINGTON, D.C.—Somerset County Freeholder Doris Dealman brought county concerns about proposed regulations implementing the Age Discrimination Act to the attention of federal officials recently.

Presenting NACo's position on the act, the New Jersey freeholder said, "NACo vehemently deplores denial of rights and services to older Americans because of misconceptions, because of outright prejudices."

She added, "While we look forward to implementation of the act and nationwide protection of the rights of the elderly, we do feel there are actual and potential problems posed in the Dec. 1 regulations, and are compelled to speak out on them."

Dealman directed her remarks to F. Peter Libassi, counsel to the Department of Health, Education and Welfare; Robert Benedict, commissioner, Administration on Aging and two other members of the HEW panel.

**SHE URGED** the members to:

- Consider the impact of the regulations on local governments;
- Seek out and implement processes which do not undermine the authority of local governments;
- Build on service planning at the level of service delivery;
- Acknowledge the realistic role of cost benefit considerations in allocation decisions, and
- Keep down the amount of paperwork.

Most of Dealman's presentation was focused on the necessity of assuring the right of county government to make reasonable distinctions on the basis of age in county service programs, including programs receiving federal aid.

In defining laws which may include age distinctions, HEW is considering an interpretation of the phrase "under authority of any law" which is limited to federal laws or to federal and state laws.

Dealman reminded the panel, "federal system is based upon three levels of government (federal, state and local), and the function of the system is based upon inter-relationships among those three levels, not two. It is not justifiable to interpret 'law' as that which relates to two—but not the third of those three levels."

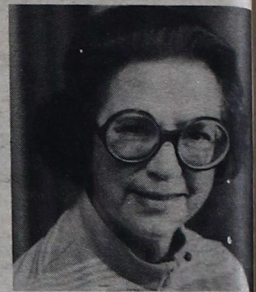
She added, "arbitrarily eliminating law-making authority at the local level seems to assume either incompetence or malice on the part of county government. We, obviously, would strongly disagree with either assumption. The ability of elected officials to respond to the needs of their constituents by making laws is the foundation of representative government at the county as well as the state and federal levels."

**SHE ALSO** addressed the question of extensive data collection and comprehensive reporting of the age data. Before you design any more reporting devices for those of us at the local level, see if you have already collected what you need elsewhere, she noted.

According to the Federal Paperwork Commission, state and local governments spend about \$9 billion each year on federal red tape.

"However, if you are certain existing data is not sufficient, then we urge you request data that you really need and that you keep it as simple, straightforward and as meaningful as possible," she said.

Other public statements made during the two days of hearings in Washington came primarily from ad-



Dealman

vocate organizations for the elderly and educational organizations. Dealman pointed out that during the Civil Rights Commission hearings on age discrimination, "we were—to me certain knowledge—the only public interest group to testify. And it looks as though we are in that position again today."

Libassi said that he appreciated NACo's response but was disappointed in the limited response by state and local governments, and their representative organizations.

The regulations and the schedule for the 10 regional hearings are published in the Dec. 1 *Federal Register*. Counties interested in responding by writing have until Feb. 28. Please send copies of any comments submitted to Mary Brugger Murphy.

## Panel Asking Comments on Effects of Clean Air Act

WASHINGTON, D.C.—The National Commission on Air Quality, a 13-member group appointed by the President to examine the nation's air pollution control efforts, will hold a second public hearing in Los Angeles on Feb. 12.

The hearing will begin at 9:30 a.m. in the auditorium of the California State Building at 107 South Broadway. The commission will seek public comment and suggestions for its work plan.

The first hearing was held in Washington, D.C. on Jan. 8, where NACo's air quality staff testified. Creation of the commission chaired by Sen. Gary Hart (D-Colo.), was authorized by Section 323 of the Clean Air Act as amended in 1977. Members include Los Angeles Mayor Tom Bradley, and Jeanne Malchon, commissioner from Pinellas County, Fla. The commission is expected to submit its final report in August of 1980.

In pursuit of its overall goal of making the Clean Air Act work better, the commission is looking for comments on:

- Health costs of air pollution;
- Impacts of pollution control efforts on economic development;
- Costs of complying with clean air law;
- Effectiveness of current efforts to control pollution;
- Problems of local governments trying to accommodate new emissions in areas that have not met quality standards.

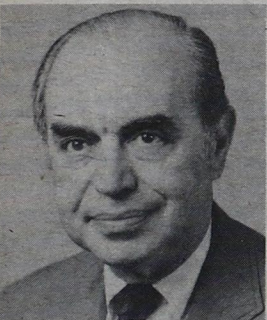
This list is by no means exhaustive and any responsible comments on air pollution control are welcomed by the commission. County officials are urged to bring their suggestions and concerns to the attention of the panel.

Testimony should be limited to about 10 minutes. Contact Paul Freeman at 202/634-7138 by Feb. 5, 1979 for information and scheduling of testimony. At least 25 copies of the statement should be sent to the Office of the Mayor, Room 305, City Hall, Los Angeles, California 90012. Attention: Graham Smith, for receipt by Feb. 5.

—Ivan Tether, NACo

### LOCAL COMMENTS NEEDED

## Health Dialogue Under Way



Dr. Richmond

WASHINGTON, D.C.—Concerned by a series of lapses in communication between the Department of Health, Education and Welfare (HEW) and local health departments, representatives of the National Association of County Health Officials and the Conference of City Health Officers met recently with Dr. Julius Richmond, surgeon general of the United States.

Representing the county view were Dr. William Elsea, NACHO president and director, Fulton County (Ga.) Health Department, Dr. J. Brett Lazar, health officer, Montgomery County, Md. and NACHO board representative, and Dr. Lawrence Hart, director of health care services, Santa Barbara County, Calif.

The meeting focused on the need to involve city and county health officers in the development and implementation of HEW policies and to keep them abreast of HEW initiatives. Dr. Richmond was concerned that a clear line of communication exist between local health officers and his office.

- Maintaining the momentum in the reduction of infant mortality and the improvement in maternal and child health programs;
- Implementing preventive medicine and improving alcohol abuse and mental health services.

**CHARLES MILLER**, deputy assistant secretary for health operations, indicated that he was interested in administrative problems

caused by requirements for reporting and evaluation which HEW places on funds which it distributes to local health departments. Dr. Richmond also indicated that, as part of the reorganization of the Public Health Service (PHS), an Office of Intergovernmental Affairs would be created to maintain direct communications with state, county and city health departments.

Dr. Elsea has asked that health officers send comments on these issues to Tony McCann, Director, Health Resources Program, NACHO.

## County Reaction to '80 Budget

Continued from page 1

\$27.2 million for the coastal zone management program.

• **Public Lands:** Full funding, \$108 million, is included in the budget for the payments-in-lieu of taxes program which compensates more than 1,500 counties for the tax immunity of federally owned natural resource lands.

• **Rural Development:** For the most part, the President has maintained budgetary support for rural development programs. The rural community facilities program, rural housing programs, and other major components of the Rural Development Act of 1972 will be funded at their current level. The President has recommended a \$17 million reduction in the rural water and waste disposal grant program, but has included in-

itial funding for a new "deep subsidy" home ownership program.

• **Taxation and Finance:** Full funding, \$6.85 billion, for general revenue sharing in fiscal '80 is requested. In addition, the Administration is proposing \$250 million for highly targeted assistance to help financially distressed communities in fiscal '79.

• **Transportation:** The majority of the DOT's programs affecting highways, public transportation, and bridge repair should remain unchanged from fiscal '79, with funding at slightly lower levels than approved in the Surface Transportation Act of 1978.

• **Social Services:** Modest gains can be noted in social service programs, including \$85 million in new funds for child welfare services, \$20

million more for Headstart, and \$1 million more for aging services to create home delivered meals to senior citizens and improve the quality of long term care for the elderly.

Despite additional funding for the Older Americans Act, however, major cuts proposed in Social Security benefits could increase the demands on citizens place upon county governments.

• **Health:** The President's budget assumes passage of new hospital containment legislation by showing savings of \$1.7 billion for hospital costs. Counties either fund or administer nearly one-third of the hospital in the country and have supported the President's inflation-fighting efforts.

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EDITOR: Bernard Hillenbrand  
NEWS MANAGER: Christine Grescock  
PRODUCTION MANAGER: Michael Breeding  
GRAPHICS: Karen Eldridge, Robert Redding, and Deborah Salzer  
ASSISTANT EDITOR: Joan Amico  
PHOTOGRAPHER: Les LaPrell  
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## Special Report

## '80 Federal Budget

Programs  
Important  
to Counties

President Carter submitted his budget to Congress last week with the warning that "real sacrifices must be made if we are to overcome inflation." Many programs were held at last year's spending levels in order to slow economic growth. Some gains were evidenced while cutbacks in some areas were offset by new spending authority.

The President termed the budget "stringent but fair."

Spending for the year, which begins Oct. 1, would be \$531.6 billion, an increase only slightly above the inflation rate, and revenues would total \$502.6 billion. The deficit would be \$29 billion, compared to \$37.4 billion for the current fiscal year.

NACo's reaction to the President's proposed budget is found on page 1. Analyses by the NACo staff of various sections of the budget that directly affect counties are continued on the following pages.

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**PANEL OF EXPERTS**—The nation's top fiscal planners respond to questions at the Jan. 20 briefing on the President's fiscal '80 budget. From left are Michael Blumenthal, Secretary of the Treasury, James McIntyre, director, Office of Management and Budget, and Charles Schultze, President Carter's economic advisor.

mix is determined by the requests of counties and cities for assisted housing units in their annual housing assistance plans.

The Section 312 housing rehabilitation loan program will also be funded at a reduced level over the amount provided in fiscal '79. The new budget requests an appropriation of \$130 million, which together with projected loan repayments of \$55 million, will permit a program level of \$185 million. In contrast, the program is operating at a program level of \$260 million this year, due to a substantial increase in funding requested by the Administration last March in the urban policy. The \$185 million will permit the rehabilitation of approximately 12,800 single and 4,500 multifamily housing units compared to the 20,000 single family and 5,500 multifamily units projected to be rehabilitated in fiscal '79.

The budget requests no funding for the urban homesteading program in fiscal '80. Instead, the budget anticipates a program level of \$23.6 million, compared to \$18 million in fiscal '79, to be funded from prior year appropriations carried over.

Funding for the Section 701 comprehensive planning and management program is proposed to be reduced from \$53 million in fiscal '79 to \$40 million in fiscal '80.

Finally, the HUD budget proposes \$15 million each year for fiscal '79 (supplemental appropriation request) and fiscal '80 for the neighborhood self-help program and \$5 million each year for fiscal '79 and '80 for the livable cities program. These programs were enacted by Congress last year, having been requested by the Administration in the urban policy.

#### Economic Development

Overall funding for the Economic Development Administration is up in fiscal '80 principally due to \$150 million requested for the new Inland Energy Impact Assistance program which Congress must first authorize. Congress failed to approve a similar proposal in the 95th Congress.

Funding for public works grants under Title I and IX of the Public Works and Economic Development Act of 1965, however, are proposed to be reduced by \$14.5 million in fiscal '80. Title I grants would be reduced by \$3.2 million to \$192.8 million, although the

amounts provided to counties and Economic Development Districts within this category would increase slightly, while those to cities would decline. Under Title IX, funding for long-term economic deterioration assistance would be lowered by \$4.5 million and sudden and severe dislocation assistance would be lowered by \$6.8 million over fiscal '79. Total Title IX funding is proposed at \$77.2 million.

Funding for planning and technical assistance and economic research and program evaluation under Title III of the 1965 act would also be decreased by a total of \$13.2 million to \$68.2 million, compared to \$81.4 appropriated in fiscal '79.

The budget anticipates that Congress will pass legislation this year reauthorizing the Public Works and Economic Development Act of 1965. The current authorization expires Sept. 15.

In addition no funds are requested for countercyclical local public works construction grants or labor intensive public works rehabilitation grants based on the Administration's view that the present state

of the nation's economy does not require such stimulus.

#### National Development Bank

The budget recommends that Congress enact legislation establishing an independent National Development Bank, proposed last year as part of the Administration's National Urban Policy. Congress failed to act on the bank legislation last year. The bank's purpose would be to aid businesses through grants, loans and loan guarantees and encourage their location in distressed rural and urban areas.

Anticipating favorable congressional action on the necessary authorizing legislation, the budget requests a total of \$3.5 billion for fiscal '80. Included are: a \$275 million increase in HUD's urban development action grant program; a \$275 million increase in EDA's Title IX economic adjustment assistance grant program; \$1.2 billion in loan guarantees; \$263 million in interest subsidies on loans and taxable bonds and the creation of a secondary market with \$1 billion in borrowing authority.

Community  
Development

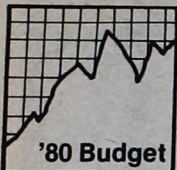
One of the few domestic programs slated for an increase in fiscal '80 is the very popular community development block grant program. The HUD portion of the budget proposes a total of \$4.3 billion for the community development block grant program, the full amount authorized by Congress for fiscal '80. This includes \$3.8 billion for the basic block grant program, up from \$3.65 billion in fiscal '79; \$100 million for the financial settlement of previous categorical grant programs; and \$400 million for urban development action grants.

#### Housing Programs

Other HUD programs, however, did not fare as well. The assisted housing portion of the Department of Housing and Urban Affairs budget requests \$1.14 billion which could provide up to 300,000 units of Section 8 and conventional public housing for low income persons, about a 10 percent reduction over the 324,000 new units funded in fiscal '79. Whether the 300,000 unit target can be met depends on the final mix between construction of new units or the use of existing housing. The per unit cost for new construction is significantly greater for new construction. The



**HOUSING PROSPECTS**—Secretary of Housing and Urban Development Patricia Roberts Harris explains the outlook for housing programs and aid to "distressed" communities. Community development block grant funds have been increased, an important source of help for counties.



## Criminal Justice/ Public Safety

### Department of Justice

The fiscal '80 budget for the Justice Department reflects a low priority for assistance to state and local governments. The proposed budget would slash the Law Enforcement Assistance Administration (LEAA) by \$111 million, its fifth successive cut, and merge it into a new agency within the Justice Department. The budget also proposes to end grants for state antitrust efforts, another \$10 million cut, and reduce FBI services to local criminal justice agencies in fingerprint identification, fugitive apprehension, and local law enforcement personnel training. In all, federal assistance for state and local law enforcement programs was reduced \$122 million.

Furthermore, indications are that additional cuts can be expected in the new Office of Justice Assistance, Research and Statistics, LEAA's successor agency, in coming fiscal years.

While the overall Department of Justice budget of \$2.4 billion declined by \$111 million, increases were recorded within some agencies of the department. The Bureau of Prisons, the FBI, the Drug Enforcement Administration, the Immigration and Naturalization Service, and the Marshals Service sustained small cuts; the budgets for U.S. attorneys and main justice operations were increased.

### Office of Justice Assistance, Research and Statistics

The \$111 million cut which greets this new agency in its first year of operation includes an \$87 million cut in direct assistance to state and local governments to improve their criminal justice programs. Planning funds have been reduced from \$50 million in fiscal '79 to \$15.6 million in the President's budget. While some of the formula allocations may be allowed for planning, these funds have been diminished from \$296.7 million to \$277.4 million.

Discretionary programs have been cut somewhat from \$78.1 million to \$72.6 million. However, \$36 million scheduled to be included in this appropriation for the new national priority program provision of the Office of Justice Assistance, Research and Statistics was eliminated. The national priority program would make funds available to jurisdictions to duplicate programs which have proven effective. A Justice Department spokesman explained the \$36 million was not included because not enough programs are expected to qualify in the first year.

Also cut heavily from \$29.1 million to \$3.9 million, were funds for education, training and manpower assistance. The budget proposes the elimination of the Law Enforcement Education Program (LEEP) which channels funds to law enforcement personnel for higher education scholarships.

Major increases are slated for the community anti-crime program, from \$7 million in fiscal '79 to \$20 million in fiscal '80. Of this money, \$3 million is new money for the new agency and \$10 million will be used to carry out the President's urban crime initiative. The public safety officers' benefits program will rise from \$2.5 million to \$15 million.

### Juvenile Justice

The budget proposes a \$50 million cut for the Office of Juvenile Justice and Delinquency Prevention. Particularly hard hit is the assistance program to state and local governments which is targeted for reduction from \$63.7 to \$30.4 million. Other portions of the office will not escape cuts; proposed reductions range from \$36.2 million this year to \$19.6 million next year.

Justice and OMB officials have said the reason for the cuts is an anticipated \$104 million backlog of funds expected at the end of

the current fiscal year. Any impact of the cuts, they stated, would not be felt until fiscal '82. Funding for the Runaway Youth Act, which is administered by the Administration for Children, Youth and Families in HEW, was maintained at the fiscal '79 level of \$11 million. The act finances small grants to communities for programs to assist young people who have left home.

### Emergency Management

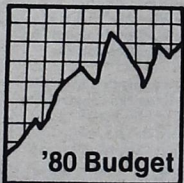
The fiscal '80 budget reflects the President's reorganization plan for consolidating five federal emergency management agencies. A total of \$452.3 million is requested for a new independent agency, the Federal Emergency Management Agency, which would administer two types of functions: 1) emergency planning, preparedness and mobilization, and 2) hazard mitigation and disaster assistance.

The first category is budgeted for \$139.1 million and includes the Defense Civil Preparedness Agency from the Department of Defense, and the Federal Preparedness Agency from the General Services Administration. The second category is budgeted for \$313.2 million and includes the U.S. Fire Administration from the Department of Commerce, the Federal Insurance Administration and the Federal Disaster Assistance Administration from the Department of Housing and Urban Development.

The total appropriation for the five agencies in fiscal '79 was \$445 million. Most of the \$7 million increase results from a more than \$12 million increase in the Defense Civil Preparedness Agency which assists state and local governments with emergency preparedness plans and facilities. The other four agencies show a slight decrease. Some saving in administrative funds is anticipated through the consolidation of five agency administrative functions which is scheduled to take place by April 1.

The Fire Administration's budget request is \$17.4 million, a slight decrease from last year. This does not reflect over \$6 million that was not spent from previous years for a National Fire Academy. A site was chosen recently at St. Joseph's College near Gettysburg, Md. The Fire Administration does research and data collection on fire problems and supports master planning, public education, and fire service education activities in fire prevention and control.

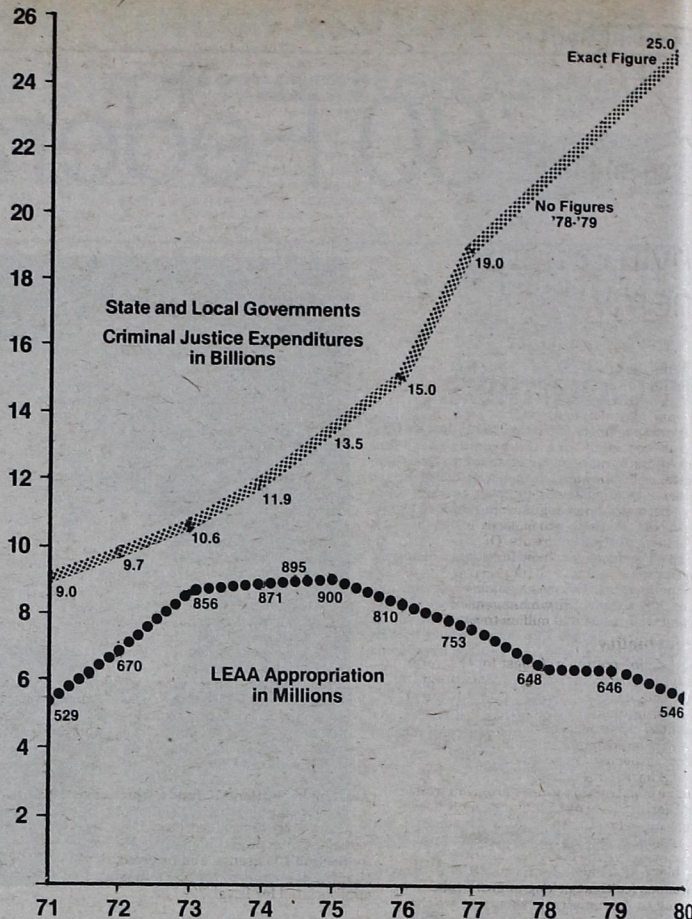
The request for the Federal Disaster Assistance Administration and presidentially declared disasters shows little change. About \$1 million less, \$6.1 million, is budgeted for administration and about \$1 million more, \$193.6 million, is budgeted for program costs.



## Employment

The fiscal '80 budget request for programs under the Comprehensive Employment and Training Act (CETA) is disappointingly low when coupled with the Administration's projection of the unemployment rate hovering at 6.2 percent throughout fiscal '80.

The budget projects a cut of 158,000 public service jobs during fiscal '80 to come exclusively out of the Title VI program. In spite of these drastic cuts in Title VI, the 267,000 job level will be maintained in fiscal '80 for public service jobs in Title II-D of CETA. The overall cut in public service employment from Oct. 1, 1979 to Sept. 30, 1981 represents 258,000 jobs. This cut is a drop from 725,000 to 467,000 jobs by the end of fiscal '80.



### Youth Employment

The President's budget also projects a drastic cut in the summer youth employment program for fiscal '80. The President plans to cut the number of jobs available for economically disadvantaged youth from 1 million for the summer in fiscal '79 to 750,000 during the summer of fiscal '80. In presenting this cut, the President is asking for a reappropriation of \$122.1 million from funds appropriated for the fiscal '79 summer youth program. In addition, the President is asking that this program be targeted to youth ages 15 to 21, instead of 14 to 21 as it has been in the past. The cut of 250,000 jobs is coming in a fiscal year with a projected unemployment rate of 6.2 percent when the President provided a million jobs last fiscal year at a lesser unemployment rate.

Funds for Title II, Parts A, B, and C (job training) were increased from \$1.91 billion in fiscal '79 to \$2.05 billion in fiscal '80. This increase is sufficient to cover the increased minimum wage.

The overall funds requested for youth in the fiscal '80 budget are increased by \$80 million despite the drastic cuts in the summer youth

program. The beneficiaries of this increase are the Job Corps, the Youth Community Conservation and Improvement Projects, and the Youth Employment and Training Programs. The Youth Incentive Entitlement Pilot Projects program is cut from \$107.1 million in fiscal '79 to zero in fiscal '80. The Young Adult Conservation Corps is cut from \$216.9 million in '79 to \$166.5 million in fiscal '80. The overall funds available for national programs under Title III were cut by \$45.6 million. Despite this cut programs for migrants and Indians received slight increases.

The Youth Conservation Corps program (P.L. 93-408) administered by the Departments of Agriculture and Interior was cut from \$60 million in fiscal '79 to zero in fiscal '80.

### Other Programs

No money is requested by the President for the Title VII private sector initiatives program in fiscal '80. However, \$400 million is requested in a fiscal '79 supplemental for that program. No more than 8 percent of this amount will be set aside for administration of the targeted employment tax credit created by the Revenue Act of 1978.

No other supplemental requests are proposed for CETA in fiscal '79 other than the reappropriation of \$122.1 million of fiscal '79 funds for the fiscal '80 summer youth program. In addition, in the supplemental, the President will request a two-year obligation authority for funds appropriated by the fiscal '79 continuing resolution (P.L. 95-482). Without the two-year obligation authority, funds under that continuing resolution for fiscal '79 could be spent by prime sponsors in fiscal '80, but could not be taken away and reallocated by DOL to be spent by other prime sponsors in fiscal '80. Finally, the work incentive program (WIN) has a fiscal '80 request of \$385 million, the same amount as provided in fiscal '79.

The total fiscal '80 request for all CETA titles is \$9.15 billion compared to \$10.64 billion appropriated in fiscal '79 if the \$400 million Title VII supplemental is included. This means a drop of \$1.49 billion between the two fiscal years in overall CETA funding.

### Fiscal '80 CETA Funding (appropriations requested in millions of dollars)

Title	Amount	Purpose
II-A,B,C	\$2,054.0	Job training
II-D	2,536.5	Public service employment
III	326.0	Migrants, Indians, other national programs and program support
IV	1,880.9	Job corps, summer youth, YETP, and YCCIP
VI	2,190.5	Public service employment
VII	-0-	Private sector initiatives program
VIII	166.5	Young adult conservation corps
<b>Total</b>	<b>\$9,154.4</b>	

ETA Acc't

II-A,B,C

III

IV

VII

Public

Service

Employ-

ment

II-D

VI

Grand

Total

Includes

does not



## Environment/ Energy

While the budget has no funds for continuing the energy audit program, it has recommended \$150 million for inland energy development assistance and \$110 for the Energy Management Partnership Act, both of which are contingent on new legislation.

The Administration is requesting \$3.8 billion for water pollution construction grants which together with funds remaining from past years—because of new regulations and slow-down in construction—will make over \$8 billion available to local governments. Of particular concern to counties is no new funds for local clean air planning, and a reduction in funds for state and local solid waste management. Section 208 water quality management planning was cut by \$10 million to \$40 million.

### Water Quality

The Administration's request for the water pollution control construction grants program reflects the concern for fiscal restraint shown in other programs and the existence of substantial carry-over funds from previous years. Increased emphasis on human health concerns, especially through the control of toxic and hazardous substances, will mean a cut in the construction grants program from the authorized level of \$5 billion to a proposed appropriation level of \$3.8 billion. This figure will be combined with \$4.5 billion remaining from previous years, bringing the total available to \$8.3 billion for fiscal '80. The reasons for this backlog of grant funds, according to Administration sources, are the program changes required by the Clean Water Amendments and delays in construction in the field.

Water quality management planning will be continued at a reduced level from last year, with a proposed \$40 million under Section 208 and \$48 million for Section 106 state planning. The rural clean water program, not funded last year, will receive \$75 million from the Department of Agriculture primarily for grants to individual farmers and other rural land owners.

State program grants for safe drinking water is the only water quality effort to show an increase for fiscal '80. This program (focusing largely on federal standard setting and oversight of state drinking water standards enforcement) will increase by approximately 12 percent to \$37.8 million. The increase comes largely in the public water systems and underground injection programs, but these continue to be no indication of direct federal support for local water supply and monitoring needs.

### Solid Waste

The overall budget proposed for the Office of Solid Waste will decrease by about 5 percent in fiscal '80 with a 33 percent cut in grants to states for solid waste planning. At this proposed level of \$10 million, down from \$15.2 million in fiscal '79, it is unlikely counties will receive much assistance in the form of pass-through grants. The resource recovery demonstration grant program will function at a level of \$13.9 million, down from \$15 million in fiscal '79. EPA plans to shift an extra \$3.6 million over to hazardous waste management in fiscal '80, most of this going to states with little to be passed through to counties, raising the amount from \$15 million in fiscal '79 to \$18.6 million in fiscal '80. Resource recovery grants available from the Department of Energy will be severely curtailed, with only \$1 million budgeted for fiscal '80 compared to \$5 million in fiscal '79.

### Clean Air

While fiscal '79 brought the first major funding of local clean air planning, the Administration has requested no additional funds for fiscal '80. The total authorization is \$75 million and \$50 million of this was appropriated for fiscal '79 to remain until expended. Congress responded by appropriating \$25 million expressly for air, as well as an additional \$29 million to be split at EPA's discretion between air and solid waste. EPA allocated \$25 million of the \$29 million to air, for a total of \$50 million to be spent by counties and other local and regional agencies to develop transportation/air quality plans. This planning must continue until air quality standards are met—in many cases as late as 1979. Without planning funds under Section 175 of the Clean Air Act, counties and others must look to their own resources to perform the mandatory updates of their plans to clean up smog and carbon monoxide pollution.

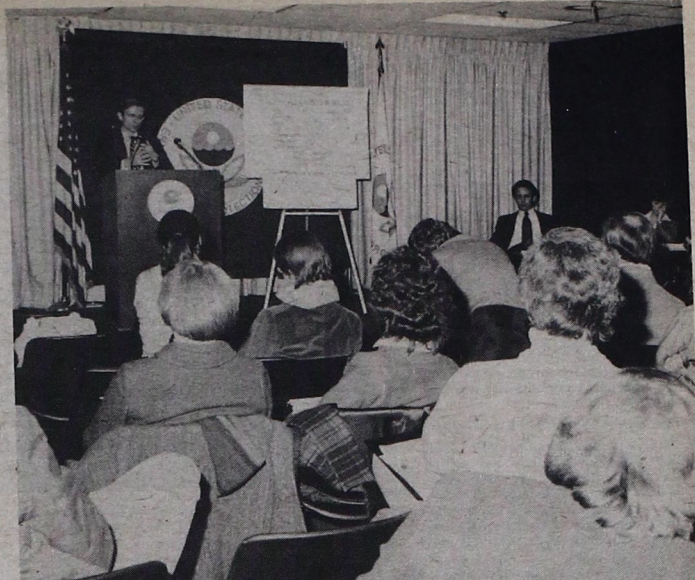
Funds were requested for general support of air pollution control agencies—both state and local. \$86 million was requested for these agencies under Section 105 of the Clean Air Act. Unlike Section 175 funds, which cover 10 percent of planning costs, Section 105 grants require a state or local match of from 25 to 40 percent. County agencies are clearly eligible for Section 105 grants, and received a significant portion of the \$80 million appropriated for fiscal '79.

### Water Resources Policy

Last June the President announced a major reform of the nation's water resources policy. One of the centerpiece of the suggested reforms was a greatly expanded state role. In order to try and build state capacity the Administration has requested large budget increases for state planning and technical assistance. Specifically, the Administration has requested an increase from \$3 million to \$50 million, half of which would be planning and half for technical assistance. In addition, a supplemental request of \$47 million has been asked for fiscal '79. About \$22 million of this amount would be for planning and \$25 million for technical assistance. While pass-through of some of these funds to local governments will be allowed and encouraged, it will occur at the discretion of the states.

### Noise Control

The Office of Noise Abatement and Control



**ENVIRONMENTAL SAFEGUARDS**—William Drayton, assistant administrator for planning and management, EPA, discusses environmental sections of the budget. The only significant increase in funds is for research in and elimination of toxic and hazardous substances.

will have a slightly larger budget to work with, an increase from \$11 million in fiscal '79 to \$13 million in fiscal '80. The additional \$2 million proposed will be used to implement the Quiet Communities Act of 1978 with \$1.5 million to go to state and local governments for noise control programs and \$500,000 to go for research on the health effects of noise. EPA will also strengthen its peer-match assistance program, which uses local noise control experts, from 10 to 25 advisors.

### Consolidated Environmental Grants

The Administration will propose legislation to provide a consolidated grant to states and in some cases local governments from among the air, water quality, solid waste and drinking water planning and management assistance programs. The proposal will also include an additional \$25 million for those states which participate in the program. Provisions will include direct funding of local governments where states have failed to apply for consolidated funding or where they have failed to adequately take account of local government needs in their applications. The water pollution control construction grants program is not included in the consolidated approach.

### Inland Energy Impact Assistance

The Administration has renewed its commitment to developing a comprehensive inland energy impact assistance program by providing \$150 million for this purpose in the Economic Development Administration's budget. However, the Administration has requested no funding for either the impact assistance program administered by the

Farmers Home Administration or the Public Land Energy impact program. It is assumed that both programs, \$20 million in fiscal '79 and \$40 million requested last year for public lands, will be covered by the proposed inland energy impact assistance program.

### Coastal Energy Impact Program

The budget request for the formula grants section of the coastal energy impact program is the same as last year, \$27.75 million. The planning grants section is slated for full funding of \$3.5 million, compared to last year's \$2.7 million in carry-over funds. The loan program, once again, will consist entirely of carry-over funds from previous years. While the exact amount of the carry-over is not yet clear, it should range between \$90-\$110 million. One significant change is that the loan funds, previously allocated on a state formula basis, will be recalled and placed on a first-come first-served basis. In addition, the Secretary has been granted broad authority in determining need and possibly adjusting the interest rate. It is anticipated that this will lead to an increased utilization of the loan program.

### Energy Management Partnership Act (EMPA)

One of the new initiatives in the energy area is the Energy Management Partnership Act. This measure is designed to provide assistance to state and local government for development and effective implementation of the National Energy Act. The program is built on a core of programs authorized under the Energy Conservation and Production Act. Funding for these programs was approximately \$47 million in fiscal '79. The budget request for EMPA is \$110 million for fiscal '80. This is intended to fund the "core" programs and the new planning and management activities required by the new legislation, if adopted.

### Building Energy Performance Standards

The Department of Energy is seeking funds for implementing the building energy performance standards program. The responsibility for developing implementation regulations for the program has been shifted from the Department of Housing and Urban Development to DOE. The request for initial program implementation is a \$10 million supplemental to the fiscal '79 budget, under the authority of the Energy Conservation and Production Act, P.L. 94-385.

### Energy Conservation

DOE's budget request for conservation activities in fiscal '80 is only \$555.3 million. However, due to the late passage of the National Energy Act (NEA), many of the funds appropriated for NEA programs in fiscal '79 will carry over for expenditure in 1980. Therefore, 1980 outlays for conservation are expected to be \$636.5 million.

The conservation grant program for schools and hospitals is part of the NEA. This program has an appropriation of \$100 million in fiscal '79 and a budget request of \$2.5 million in

**CETA Dollars**  
(in millions of dollars)

	1977 Appropriation	1978 Appropriation Continuing Resolution P.L. 95-205	1979 President's Budget	1979 Authorized in P.L. 95-524	1979 Appropriation Continuing Resolution P.L. 95-482	1979 Proposed Supplemental	1979 Revised Total	1980 President's Budget
ETA Acc't	\$4,350	\$3,441	\$4,853	\$6,375	\$4,253	\$400	\$4,653	\$4,427
II-A,B,C	1,880	1,880	2,027	2,000	1,914	0	1,914	2,054
III	367	388	459	1,275	372	0	372	326
IV	1,869	1,172	1,750	2,250	1,750	0	1,750	1,881
VII	—	—	400	500	—	400	400	0
VIII	233	233	217	350	217	0	217	166
Public Service Employ- ment	8,387	—	5,955	6,754	5,992	0	5,992	4,727.0
II-D	1,540	—	1,150	3,000	2,517	0	2,517	2,536.5
VI	6,847	—	4,805	3,754	3,475	0	3,475	2,190.5
<b>Grand Total</b>	<b>\$12,737<sup>1</sup></b>	<b>\$3,441<sup>2</sup></b>	<b>\$10,808</b>	<b>\$13,129</b>	<b>\$10,245</b>	<b>\$400</b>	<b>\$10,645</b>	<b>\$9,154</b>

<sup>1</sup>Includes economic stimulus funds

<sup>2</sup>does not include economic stimulus funds

fiscal '80. It is expected that the bulk of the expenditures for this program will be made in fiscal '80 with carry-over funds.

The energy audit and technical assistance program for local government buildings, another conservation activity, had an appropriation of \$29.8 million in fiscal '79, contingent on approval of a supplemental budget request. This program is requested at \$200,000 for fiscal '80, contingent on a requested program extension. As with the other programs, DOE expects to spend carry-over funds of \$17 million in fiscal '80.

In fiscal '80 all weatherization funding is requested for DOE. The program that was administered by the Community Services Administration will be carried out by DOE. The budget request for weatherization is \$199 million, the same as in fiscal '79.

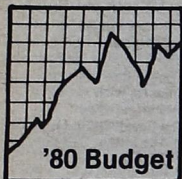
The appropriate technology grant program is designed to support and encourage the development of energy saving technologies that are low cost and meet the local situation. The budget request for this program is \$8.5 million, a 6 percent increase over the fiscal '79 funding levels.

### Alternative Energy Technologies

The budget request for solar applications, including demonstration grants for residential and commercial buildings, has been slashed 36 percent from \$55 million in fiscal '79 to \$35 million in fiscal '80, while funds for systems and market development have been increased 15 percent and 55 percent respectively to \$47 million and \$27 million.

Programs to encourage the development of wind power are increased from \$61 to \$67 million in fiscal '80.

The requested funding for geothermal energy is \$111 million. This includes research and development, as well as \$6 million to support the Geothermal Resources Development Fund, bringing the loan guarantee authority under this program to \$350 million.



## Health/Education

Total health expenditures in fiscal '80 are expected to increase 8.6 percent from \$49.1 billion in fiscal '79 to \$53.4 billion in fiscal '80. This increase is primarily due to skyrocketing costs of Medicaid and Medicare. The critical impact of these two programs is indicated by the fact that their combined budget will increase 11.2 percent while the rest of the HEW's health budget will show a net decline of over 19 percent.

### Cost Savings

The Administration will again propose a hospital cost containment bill. This proposal, which was announced Dec. 28 by Secretary of Health, Education and Welfare Joseph Califano, will provide standby mandatory controls which will become effective if the hospital industry is unable to hold cost increases to the 9.7 percent rate established by the President's voluntary wage/price program. In addition HEW will issue regulations to reduce payments to inefficient providers under Medicare and Medicaid. Passage of the cost containment bill is projected to save \$1.7 billion in fiscal '80 and \$26.2 billion by fiscal '84. The regulatory changes would add another \$600 million to this total.

### Prevention Initiative Proposal

Of major interest to counties is the new prevention initiative in the budget which will increase available funds for prevention by some \$137 million. In this area, there are new proposals for the prevention of unwanted teenage pregnancies and the provision of support for pregnant teenagers (\$60 million) and a new prevention formula grant to assist states and local governments in the identification and treatment of the major causes of death and disability (\$18 million). Increases are also projected in the area of



**NEEDS OF PEOPLE**—Joseph Califano, Secretary of Health, Education and Welfare, points out that the President's budget tries to maintain a sound economy and yet provide adequately for those in need of human services.

health, education and promotion (up \$6 million), disease control (up \$11 million), and the anti-smoking campaign (up \$16 million). Support for other major local public health services are contained in the accompanying chart:

### HEALTH BUDGET AUTHORITY (in millions of dollars)

	Fiscal '78	Fiscal '79	Fiscal '80
Childhood immunization	\$23.0	\$35.0	\$18.5
Influenza immunization	6.4	15.0	15.0
Veneral disease	32.0	32.0	32.0
Rat control	13.0	13.0	13.0
Lead based paint	2.0	4.0	4.0
Home health	2.9	6.0	8.0
Hypertension	10.1	11.0	13.3
Maternal and child health	405.9	380.5	475.0
Genetic services	2.5	7.0	10.6
Family planning	130.4	135.0	145.0
EMS	37.6	42.6	39.6

### Health Incentive Grant

A major disappointment is the failure to adequately fund the new health incentive grant program which was part of the Community Health Services and Center Amendments passed last year. This legislation, which provides basic support for local public health activities, is projected to be cut from \$77 million to \$52 million.

Reflecting recommendations of the President's Commission on Mental Health, a \$91 million increase is proposed (to \$1.2 billion) for mental health, alcoholism and drug abuse programs. The mental health initiative targets \$99 million for community programs, in addition to \$241 million for existing community mental health centers, for a net increase of \$42 million. Priorities will be set for those identified by the President's commission as currently underserved: children and adolescents, minorities, the aged, and the chronically mentally ill.

The alcoholism initiative is reflected in a significant increase of 36 percent to \$134 million, with \$93 million designated for community programs. Particular emphasis will be on treatment and research programs aimed at women and youth. The budget also reflects a major cut in alcohol and drug abuse grants to states: a total cut of \$96 million.

### Handicapped Assistance

Despite talk at HEW about increased commitment to serving the handicapped, it appears that rehabilitation services are to be funded at fiscal '79 levels or less. To implement recent passage of legislation for expanded rehabilitation and developmental disabilities programs, a supplemental appropriation of \$59 million for basic state grants is proposed for fiscal '79; however, this amount would then remain at \$817 million in fiscal '80. An additional \$10 million is designated for independent living projects, along with \$15 million for long-term care to be developed jointly with the Administration on Aging.

Developmental disabilities funding is decreased by \$1 million, accomplished by a major shift from project grant activities to the state formula grant program. State service

and advocacy grants will increase 52 percent to \$50 million, a shift from 56 percent of the developmental disabilities of the budget to 86 percent. State grants for education of the handicapped, which includes significant numbers of developmentally disabled children, are increased \$58 million to \$862 million. This continues to be based on federal funding at 12 percent of the national average per pupil expenditure.

### Health Care System Reforms

Major increases are planned in the Health Maintenance Organization program (up from \$24.5 million in fiscal '78 to \$73.6 million in fiscal '80) and the community health center program (up from \$227 million to \$388 million). Both of these programs either expand availability or change the way services are delivered. Changes were made by last year's Congress in both programs making it easier for counties to operate them directly. There will also be major increases in the funds available for the National Health Service Corps scholarships and placement. This program assigns doctors and other health professionals to underserved rural and urban areas as part of their commitment for the federal support of their education.

The budget also contains funds for a hospital closure and conversion provision, which is expected to be part of the Administration's Health Planning Amendments. This program would provide grants to cover the costs associated with the closure or conversion of the some 130,000 excess beds as measured by the National Health Planning Guidelines. The budget also reflects a slight (\$2 million) increase in health planning funds to assist Health Service Agencies and state SHPDAs to achieve cost savings and improve their management of health resources.

Major changes and reductions are planned in the area of health manpower training. Incentives to increase medical school enrollment have been cut and a rescission of \$68 million is planned for fiscal '79. These changes and others will reduce the expansion of the output of doctors and other health professionals and redirect them toward primary care.

### CHAPS

In addition to these incentives, the Administration is proposing to fund a proposed Child Health Assessment Program (CHAPS) at \$288 million. This program would extend benefits to 100,000 low income children and pregnant women. Many of these individuals are presently served by county clinics or hospitals. Other changes are aimed at encouraging ambulatory care and preventive medicine. Finally, the Administration is proposing to substantially tighten administration of the program to reduce errors and limit payment to other categories of providers.

### Education

The budget includes a \$221 million increase in programs benefiting disadvantaged children.

The Title I program of the Elementary and Secondary Education Act is continued at the 1979 level. An additional \$285 million in fiscal '79 and \$400 million in fiscal '80 will be requested for areas of high concentration of low income students. The Title I program provides formula and discretionary grants to state and local

educational agencies aimed at low income and low achieving students.

The Administration is again requesting a reduction in the impact aid maintenance and operation program. A reduction of \$291 million is projected based on the elimination of funds for children whose parents work on federal property but live and pay taxes in the community.

The Administration also has indicated its intent to reintroduce legislation establishing a separate department of education. This bill would be similar to the one which died in Congress last year.



## Labor Management

### Social Security

While total outlays for Social Security, the largest single program in the Administration's budget, are estimated to rise from \$102.3 billion in fiscal '79 to \$115.2 billion in fiscal '80, the Administration plans to eliminate certain Social Security benefits. The proposed Social Security cuts which will total \$600 million in fiscal '80 and \$1.7 billion in fiscal '81 include phaseout of post-secondary school student benefits, elimination of the \$255 burial benefit, termination of parent benefits after the youngest child reaches age 16 and elimination of the \$120 a month minimum benefit for future retirees.

In addition, legislation is being proposed to reform the disability program and reduce maximum benefits for disabled workers. The Administration claims these reforms are necessary in order to curb the spiraling costs of Social Security and eliminate outmoded or lower priority Social Security benefits.

The cuts are expected to provoke major opposition from a coalition of labor, civil rights and senior citizen groups. Its members fear that these proposals are only the first step in a longer-range effort by the Administration to slash Social Security benefits even more.

### Intergovernmental Personnel Act

The fiscal '80 budget recommends that Congress maintain the current level (\$20 million) of budget authority for grants to state and local governments under the Intergovernmental Personnel Act (IPA).

### Civil Rights Enforcement

Total outlays for the U.S. Equal Employment Opportunity Commission (EEOC), the federal agency which has primary responsibility for enforcing statutory

prohibitions on basis of race, religion are \$1 million in fiscal '80. As a result of functions in assuming employment Equal Pay Act Employment

### Anti-Inflation

The Administration's outlays for "management" (actual outlays) major reason for the executive staffing of the Stability wage and price and for administrative inflation pro

As part of inflation program a program is designed to wage increases standard in rises exceed the Adminis reduction in credits of \$2 million increase estimated in



Lanc

The President's new request for rehabilitation state and local Conservation than that at coastal zone million in a program im 701 complete program su

### Agriculture

The Administration's budget recommendations for Agriculture are a study of agricultural protection federal agencies Rep. James members of introduce n agricultural considered

### Resource Development

The Administration's program development projects. The technical agricultural government economic community this program implement

prohibitions against job discrimination on the basis of race, age, color, national origin, sex or religion are slated to increase from \$11.4 million in fiscal '79 to \$12.4 million in fiscal '80. As a result of reorganization of civil rights functions in the federal government, EEOC is assuming enforcement responsibilities for the Equal Pay Act and Age Discrimination in Employment Act.

### Anti-Inflation Activities

The Administration proposes an increase in outlays for "executive direction and management" from \$73 million in fiscal '78 (actual outlay) to \$91 million in fiscal '80. A major reason for this significant increase in the executive branch budget is for increased staffing of the Council on Wage and Price Stability which is responsible for monitoring wage and price developments in the economy and for administering the President's anti-inflation program.

As part of the Administration's anti-inflation program, the President has proposed a program of real wage insurance (RWI) which is designed to compensate employees whose wage increases comply with the 7 percent wage standard in the event that consumer price rises exceed that amount. Its major effect on the Administration's budget would be a reduction in tax receipts, resulting from tax credits of \$2.3 million in 1980, and a \$200 million increase in outlays resulting from estimated increases in individual tax refunds.



### Land and Water Conservation Fund

The Land and Water Conservation Fund is the only federal grant program specifically for park acquisition and development at the state and local level. The budget requests \$610 million, \$360 million of which would be available to state and local governments. The fund also provides money for federal park acquisition projects.

The total amount requested is about \$127 million less than was appropriated for fiscal '79, and \$290 million less than is authorized. The state and local share, however, has been reduced only \$10 million from fiscal '79.

The small cut in federal funding may mean that some local governments will have to put off park projects or rely more heavily on local funds and land donations.

### Urban Park and Recreation Recovery Program

A new program, one of the President's urban initiatives, the urban park and recreation recovery program is designed to assist local governments in urban areas renovate deteriorating parks. The Administration has requested a supplemental fiscal '79 appropriation of \$37.5 million and full appropriations of \$150 million for fiscal '80.

The Land and Water Conservation Fund has in the past been used for some rehabilitation projects, but the urban park and recreation recovery program is directed specifically at park renovation.

### Historic Preservation Fund

The Administration has requested \$45 million for the Historic Preservation Fund, which provides grants to state and local governments as well as private groups and individuals to acquire and develop historic properties. An amendment was added last year to exclude state and local government buildings, such as courthouses, from eligibility if they will continue to be used for governmental purposes.

### Coastal Zone Management Implementation

During fiscal '80, the Administration proposes to end funding to states for development of coastal zone management programs and to concentrate assistance under the Coastal Zone Management Act on management and implementation of state programs. No funds are requested for program development grants during fiscal '80, but some funds from fiscal '79 will be available to assist states like Illinois, Indiana, Connecticut, Mississippi and American Samoa if they continue to qualify.

A significant increase of \$9 million for a total of \$27.2 million is recommended for program implementation grants under Section 306 of the act. Much of this assistance is expected to eventually reach counties and other local governments for implementing responsibilities under approved state coastal zone management programs. In Oregon for example, counties implement state policies through zoning and determine consistency of federal actions under Section 307 of the act. During the coming year, Georgia, New Hampshire, New Jersey estuarine areas, Minnesota, Virginia, Ohio and New York are expected to seek approval of management programs.

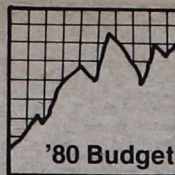
The Administration also proposes an increase of \$2.5 million for the marine sanctuaries program for a total of \$3 million. Funds are available to acquire and protect marine sanctuaries in coastal areas.

### Comprehensive Planning Assistance

HUD's comprehensive planning assistance program under section 701 of the 1954 Housing Act continues to enjoy less support from the Administration. The President recommends \$40 million for grants to states and areawide agencies and a limited number of local governments during fiscal '80. This is \$13 million less than appropriated for fiscal '79.

Counties have received less support for planning and growth management efforts from this program in recent years. Eligible recipients may use assistance to collect housing and community development data and to prepare comprehensive development plans to management growth, conserve energy, maintain and expand economic development and improve the environment.

The Administration recommended no new funds for the Section 111 rural planning program under the Department of Agriculture.



## Public Lands

The fiscal '80 budget includes a request for full funding of the payments-in-lieu of taxes program along with continued funding of other public land programs.

### Payments-in-lieu

The request for payments-in-lieu includes the full \$108 million authorized for fiscal '80, together with \$105 million already appropriated by Congress for payments to be made in fiscal '79.

The payments-in-lieu program provides for annual payments by the Bureau of Land Management, U.S. Department of Interior, to more than 1,500 counties to partially compensate them for the tax immunity of federally owned and tax exempt natural resource lands, such as national forests, national parks, and public domain land.

The budget does not include a request for the approximately \$40 million in fiscal '79 or a \$20 million increase for fiscal '80 that would be required to expand the payments-in-lieu of taxes program as proposed by the U.S. Comptroller General.

### Public Lands

The fiscal '80 budget includes a continuation of funding of \$752.1 million for a broad spectrum of public land payments to states and counties. These programs have increased dramatically from \$288.3 million in fiscal '77 prior to enactment of the Payments-in-lieu of Taxes Act and NACo-endorsed amendments

### Federal Public Land Payments to Counties and States (in millions of dollars)

	1978 (actual)	1979 (est.)	1980 (pro- posed)
<b>Bureau of Land Management Programs</b>			
Payments-in-lieu of taxes to counties	\$100.0	\$105.0	\$108.0
Mineral Leasing Act payments to states	175.1	202.0	238.6
Forest Payments to Coos Bay Grant Land counties	1.9	2.5	2.8
Forest Payments to "O & C" Grant Land counties	106.0	100.0	110.0
Grazing payments to counties and districts	2.1	1.8	2.1
Grassland payments to counties	.4	.4	.5
Misc. payments to states	1.8	1.8	2.1
<b>U.S. Forest Service Programs</b>			
National Forest Reserve Payments to counties	224.0	238.9	281.6
Grassland payments to counties	1.2	1.3	1.3
Misc. payments to counties	.3	.3	.3
<b>U.S. Fish and Wildlife Service</b>			
Wildlife Refuge payments to counties	5.3	4.3	4.8
<b>Totals</b>	<b>\$618.1</b>	<b>\$658.3</b>	<b>\$752.1</b>

to the national forest reserve payment program and the Mineral Leasing Act payment program.

The Mineral Leasing Act payments are distributed to state governments, with a priority for local communities affected by federal energy programs. The fiscal '80 budget request does not include the \$44 million public land energy impact loan program authorized by Congress last year.

### Rural Housing Grants and Loans (in millions of dollars)

	1978	1979	1980
<b>Loans</b>			
Low-income housing loan assistance:			
Subsidized interest rate loans:			
Repair loans (sec. 504)	\$15.0	\$24.0	\$24.0
General purpose loans (sec. 502):			
Purchase of new dwellings	991.0	1,145.0	1,112.0
Purchase of existing dwellings	705.0	840.0	870.0
Repair only	24.0	22.0	25.0
Domestic farm labor housing loans (sec. 514)	10.0	38.0	30.0
Rental or cooperative loans (sec. 515)	600.0	820.0	820.0
Non-subsidized interest rate loans:			
Site loans (sec. 524)	2.0	3.0	.6
General purpose loans (sec. 502)	180.0	60.0	—
Subtotal, low-income housing loan assistance	2,527.0	2,952.0	2,881.6
Moderate-income housing loan assistance:			
Non-subsidized interest rate loans:			
General purpose loans (sec. 502):			
Insured	775.0	800.0	500.0
Guaranteed	—	500.0	500.0
Rental or cooperative (sec. 515)	90.0	48.0	48.0
Site loans (sec. 524)	1.0	.4	.4
Mobile home park loans (sec. 527)	1.0	—	—
Subtotal, moderate-income housing loan assistance	867.0	1,348.4	1,048.4
Total, loans	3,394.0	4,300.4	3,930.0
<b>Grants</b>			
Rural housing grant programs:			
Rural housing for domestic farm labor (grants)	7.8	33.0	25.0
Mutual and self-help housing grants	19.9	13.5	5.0
Total, rural housing grant programs	27.7	46.5	30.0
Very low-income housing repair grants	5.0	19.0	24.0
Total, grants	32.7	65.5	54.0
Rural rental assistance contracts	349.1	393.0	393.0
Home ownership assistance payments	—	—	985.0
<b>Grant Total, loans, grants, and contracts</b>	<b>\$3,775.8</b>	<b>\$4,758.9</b>	<b>\$5,362.0</b>

## Land Use

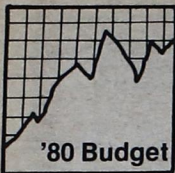
The President's fiscal '80 budget includes new requests for urban park and recreation rehabilitation. The Interior Department's state and local portion of the Land and Water Conservation Fund request is \$10 million less than that appropriated for fiscal '79. While the coastal zone management program includes \$9 million in additional funds for coastal zone program implementation grants, the section 701 comprehensive planning assistance program suffered a \$13 million cutback.

### Agricultural Land Retention

The Administration makes no proposals for agricultural land retention legislation and no budget recommendation. The Department of Agriculture and the Council on Environmental Quality are now organizing an agency-wide study of agricultural land loss, methods to protect productive farmland and the impact of federal agency activities on agricultural land. Rep. James Jeffords (R-Vt.) and other members of the House are expected to introduce new legislation paralleling agricultural land retention legislation considered in the 95th Congress.

### Resource Conservation and Development

The Administration is recommending an end to the resource conservation and development program during fiscal '80 by rejecting any new projects for resource conservation and development and for sound land use practices. A total of \$2.9 million is recommended for fiscal '80 compared with \$25 million appropriated for fiscal '79. While the Administration has recommended an end to this program in past years, Congress has continued to support further funding and new projects. The RC&D program provides technical and financial assistance to local governments to prepare plans for resource and economic development and to install community conservation projects. Funds for this program could be used to develop and implement county agricultural land programs.



## Rural Development

The Administration has proposed a hold-the-line budget for the majority of the grant and loan programs authorized by the Rural Development Act of 1972.

Under that act, the key initiative has been the water and waste disposal grant and loan program available to rural communities. The

Administration is recommending \$265 million in grants and \$700 million in loans for fiscal '80, the identical amount requested for the current fiscal year. However, this actually represents a decrease in funding since it does not include a supplemental appropriation of \$17.5 million in grants and \$100 million in loans. These grants and loans are available to counties to finance specific projects to develop, store, treat, purify or distribute water or to collect, treat or dispose of waste in rural areas.

### Business and Industrial

The President has proposed a continuation of the business and industrial/rural development grants at \$10 million, while decreasing the business and industrial loans from \$1.1 billion to \$1 billion. The grants and loans are designed to bolster rural economies through stimulation of private sector businesses. The grants are available to local governments for purposes ranging from acquisition and construction to refinancing and the provision of utilities. The loans may go to profit or nonprofit cooperatives, corporations, partnerships, trusts or other legal entities as well as units of local government and individuals.

### Rural Development Grants and Loans (in millions of dollars)

	1978	1979	1980
<b>Loans</b>			
Water and waste disposal	\$750.0	\$900.0	\$700.0
Community facility	250.0	250.0	250.0
Business and industrial	1,000.0	1,100.0	1,000.0
Total, loans	2,000.0	2,250.0	1,950.0
<b>Grants</b>			
Rural water and waste disposal	250.0	282.5	265.0
Business and industrial	10.0	10.0	10.0
Rural development planning	5.0	5.0	—
Rural community fire protection	3.5	3.5	—
Total, grants	268.5	301.0	275.0
<b>Total, program level</b>	<b>\$2,268.5</b>	<b>\$2,551.0</b>	<b>\$2,225.0</b>

### Community Facilities

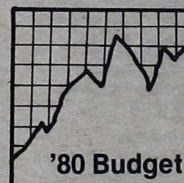
The community facility loan program is proposed at the same \$250 million level as the current year. This program provides 5 percent, 40-year loans to rural communities for the construction, enlargement, extension, or other improvements in community facilities. These include fire and rescue services, transportation, traffic control, and community, social, cultural and recreational facilities.

### Rural Planning and Fire Protection

The President has again proposed the termination of the rural planning grant and rural community fire protection programs. The planning grant program was initially funded by Congress at a \$5 million level for 1978 and refunded at the same level for fiscal '79, despite a request for no funding. The fire protection program has also been funded each year at a \$3.5 million level although it has been earmarked for termination over the past several years.

### Housing

The Rural Housing Insurance Fund is the basic housing program of Farmers Home Administration (FmHA). The total funding available for housing loans will be increased from \$4.7 billion in fiscal '79 to \$5.3 billion in fiscal '80. The amount available for housing grants will decline by \$32 million. The main reason for the increase in total rural housing funds can be attributed to the initial funding of the new home ownership assistance program. The budget recommends a funding level of \$985 million for this program, which is expected to aid home buyers in purchasing 15,094 units of housing.



## Taxation/ Finance

### General Revenue Sharing

The Administration has requested full funding for general revenue sharing assistance for fiscal '80. The program will distribute approximately \$6.85 billion to 39,000 units of government. As determined by the enacting legislation, two-thirds of the funds will go to local units of government and one-third to states.

The President's budget request in this area covers the final year of the program under the 1976 legislation, which expires Sept. 30, 1980. Under the Budget Reform Act of 1974, proposals to renew major programs must be

submitted to Congress by May 15 of the year prior to the expiration date. The budget request does not contain any recommendations on the extension of general revenue sharing.

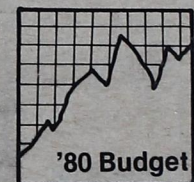
### Countercyclical Assistance

The Administration is requesting funds for a transitional standby fiscal assistance program of a countercyclical nature. The transitional program, with a budget authority of \$250 million in fiscal '79 and \$150 million for fiscal '80, would be a highly targeted program. The aid would be earmarked for the nation's most distressed communities to reduce the adverse impact caused by the termination of countercyclical aid last October. The program would terminate after 1980.

A standby countercyclical program is also being proposed for both 1979 and 1980. According to the budget, the program will have a higher trigger and be more targeted than the recently ended antirecession assistance. No details as to a national trigger or indices of economic distress are cited in the budget. It does indicate that no funds are being requested at this time since, under current economic assumptions, no outlays are expected in 1979 or 1980.

### National Development Bank

The budget includes a request for \$3.5 billion to fund a National Development Bank. This initiative is designed to stimulate private investment and increase private sector employment in the nation's rural and urban areas. The bank will have \$550 million in grants for 1980 for economic development. Consideration will be given to incorporating specific existing federal programs into the bank, including the direct and guaranteed loan programs of the Economic Development Administration, Farmers Home Administration, and the Department of Housing and Urban Development.



## Transportation

The President's fiscal '80 budget for the Department of Transportation is definitely a "lean budget," said Transportation Secretary Brock Adams.

For the next fiscal year, DOT projects an operating level of \$19.1 billion, an increase of about 5 percent over fiscal '79. Outlays of federal expenditures are estimated to be \$15.5 billion, an increase of approximately 3 percent. According to Adams, emphasis and priority has been placed on those programs which have safety as their major purpose and which contribute to holding down the costs by improving transportation efficiency.

In short, the majority of DOT's programs of concern to counties will be at the same funding level as 1979, with funding increases noted only in areas affected by the Surface Transportation Act of 1978: highways, bridges, and public transportation.

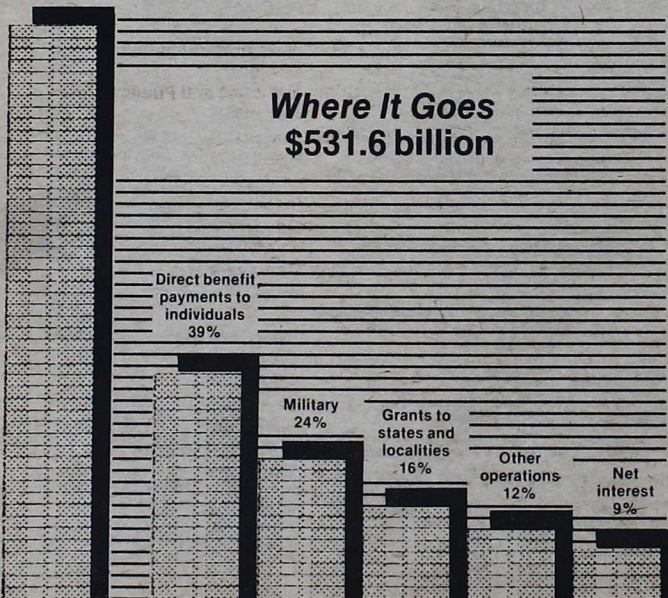
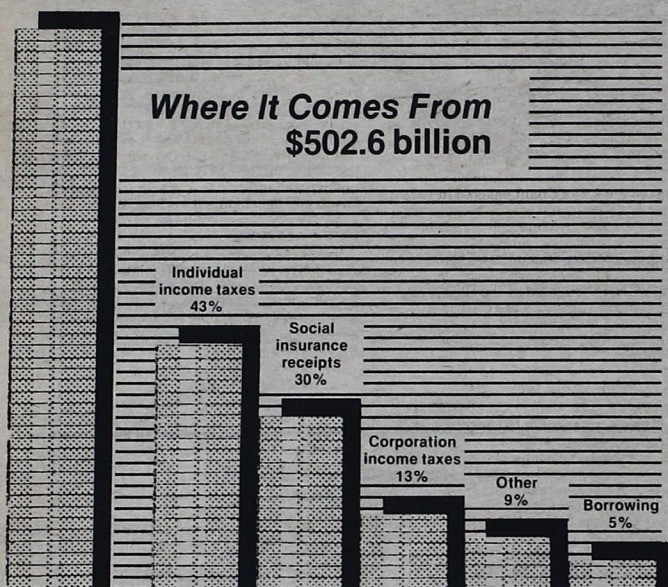
### Federal Highway Administration

The fiscal '80 budget for federal highway programs totals \$8.6 billion, with \$7.2 billion expected in federal expenditures. Increases in federal highway programs funded out of the Highway Trust Fund are largely a result of enactment of the Federal Highway Act of 1978.

It should be noted that the federal-aid highway program is a reimbursement program administered by state highway agencies. States submit their expenditures to the federal government for reimbursement of the federal share of the specific highway program. For example, the Surface Transportation Assistance Act of 1978 provides an authorization of \$900 million in 1979 for bridge replacement and rehabilitation. The proposed '80 budget assumes the states' ability to spend \$550 million in 1979 and \$900 million in 1980.

All authorized funds are being made available to the states and may be committed

## 1980 Budget



Source: Office of Management and Budget

without federal constraints, to the levels authorized which are limited to a total of \$8.42 billion for 1980.

The Department of Transportation is also responsible for a number of general fund highway programs. Of particular concern to counties is funding for the safer off-system roads program. The proposed budget does not include supplemental funding for 1979 nor funding for the program in 1980. Funds appropriated by Congress during 1979 at \$15 million but authorized at \$200 million in 1979 and 1980 are to remain available until 1982.

#### FEDERAL HIGHWAY ADMINISTRATION (in millions of dollars)

Account	Fiscal 1978 (actual)	Fiscal 1979 (est.)	Fiscal 1980 (budget)
Federal-aid highways	\$7,134.8	\$7,600.0	\$8,400.0
Interstate systems	(3,190.8)	(3,475.0)	(3,675.0)
Rural and small urban	(1,964.1)	(1,822.2)	(1,919.7)
Urbanized area	(1,227.9)	(1,033.0)	(1,125.8)
Bridge construction	(170.7)	(550.0)	(900.0)
Safety and other	(531.3)	(719.2)	(779.5)
Motor carrier safety	8.0	12.5	13.7
Highway beautification	25.1	13.1	—
Darien Gap	5	7	—
Highway	5.5	6.7	6.6
Territorial highways	—	—	—
Railroad-highway crossings	—	—	—
demonstration projects	19.6	48.2	20.0
Off-system roads programs	292.5	187.8	—
National Scenic and Recreational Highway	42.6	50.0	37.5
Alaska Highway	5.9	21.2	—
Access highways to lakes	8.0	11.9	8.5
Highways crossing federal projects	13.4	23.0	14.0
Highway-related safety grants	28.0	28.0	28.0
Baltimore-Washington Parkway Demonstration projects—trust fund	26.7	17.9	—
Highway safety research and development	8.9	9.3	9.5
Overseas highway	22.4	75.6	13.1
Right-of-way revolving fund	-15.8	—	—
Miscellaneous items	11.6	2.1	2.9
<b>Total program level</b>	<b>\$7,638.0</b>	<b>\$8,110.1</b>	<b>\$8,553.9</b>

#### Urban Mass Transportation Administration

Under the newly enacted Surface Transportation Assistance Act of 1978, the estimated fiscal '80 budget total for the Urban Mass Transportation Administration is \$3.5 billion which maintains the program at the same level as in fiscal '79.

Within this amount are the following budget recommendations as compared to the 1978 act's authorizations:

(in millions of dollars)

	Fiscal '80 Authorization	Fiscal '80 Budget
Capital:		
Discretionary Grants (Section 3)	\$1,580	\$1,279
Operating Assistance:		
• Basic Tier	900	850
• 2nd Tier	250	150
• Commuter Rail	130	75
• Bus Modernization	300	300
Small Urban and Rural Program	100	75

The proposed budget provides \$700 million for interstate transfer grants, giving states and local governments the leeway to withdraw previously approved interstate segments and apply the authorized funds to other transit or highway projects.

#### Federal Railroad Administration

The President's '80 budget proposes \$911 million for the Federal Railroad

Administration, exclusive of grants for AMTRAK. According to DOT, this is an increase of \$72.7 million over 1979. The increase assumes new financial assistance legislation for deferred maintenance and for the general condition of the railroad industry. Under the proposed legislation, \$250 million is earmarked for improving the efficiency and labor productivity of railroads. This amount is part of the \$335.2 million rail service assistance appropriation, which also includes \$67 million for a nationwide program of rail service continuation subsidies. Under legislation enacted by Congress last year, the branch line program intended to emphasize the upgrading of lines with long-term development potential.

The President's budget provides \$481 million for the continuation of the northeast corridor construction program during 1980. The goal is to upgrade the quality of rail service for all users (freight and passenger) between Washington, D.C. and Boston. The budget request reflects the recently announced findings of the Northeast Corridor Improvement Project Redirection Study in which DOT has defined a more realistic scope, schedule and budget for the project. The study also recommends extending the construction schedule to 1983 and the Administration is planning to ask Congress to increase the project's funding to \$2.5 billion.

For AMTRAK, the fiscal '80 budget requests \$760 million, including \$552 million for operating grants, \$171 million for capital grants and labor protection and \$37 million for debt transactions. The budget anticipates major route restructuring which may dramatically affect passenger service in many communities.

#### Federal Aviation Administration

The budget request for the Federal Aviation Administration remains virtually unchanged from 1979 levels even though new authorizing legislation is required this year and the airport and airway trust fund continues to show a tremendous surplus balance. The proposed budget does show increases in FAA's safety related appropriations.

Airport planning and development grants, however, are slated to be reduced in fiscal '80 by \$65 million from the \$625 million available to local airports in fiscal '79. The reduction is



**DOT Secretary Brock Adams**

expected to hurt smaller airports which rely more heavily on this funding to upgrade their airports. All entitlement airport grants are expected to be accommodated within the Administration's '80 budget.

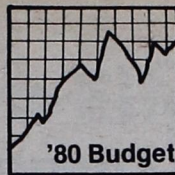
The FAA budget also includes funds for the aircraft equipment loan guarantee program. A total of \$50 million in fiscal '79 and \$100 million in fiscal '80 is proposed. The funds are anticipated to be primarily committed to commuter air carriers and are designed to help local communities continue air services as current service arrangements undergo changes because of the Airline Deregulation Act of 1978.

#### Civil Aeronautics Board

The Civil Aeronautics Board's proposed fiscal '80 budget to subsidize eligible certified air carriers includes an increase of \$7.2 million to \$76.1 million over fiscal '79 funds.

The 1978 Airline Deregulation Act gives the CAB responsibility for administering a new subsidy program. This new program requires that CAB guarantee, with subsidy if necessary, a minimum level of air service to many small communities not receiving essential air service.

All air carriers are eligible to apply for the subsidy. The President's budget, however, does not indicate how many communities and air carriers will benefit from the program.



## Welfare/ Social Services

#### Welfare Reform

The President's welfare reform/jobs proposal for the 96th Congress would not take effect until 1982; hence there is no funding included in the fiscal '80 budget, and no provision for fiscal relief. Furthermore, the fiscal '80 budget expenditures for Aid to Families with Dependent Children and Supplemental Security Income are slated at the same level as fiscal '79. Higher costs of inflation and mandatory benefit increases are expected to be offset by proposed legislation and administrative changes to promote improved management of programs and to reduce error rates. Similar measures in the food stamp program may shift costs onto state and local government.

Some of the above measures are included in the Administration's welfare reform proposal and tied to the goals of program simplification and uniform standards among programs.

The expanded Earned Income Tax Credit enacted last year to aid low income earners is slated for further expansion in the 1982 welfare reform proposal. Fiscal '80 outlay is \$1.5 billion. No provision is made to continue the Targeted Jobs Tax Credit enacted in 1978 which expires in 1980, and which is expected to provide thousands of private sector jobs for welfare and low income persons; although \$500 million is budgeted for residual credits in 1980. Spending for the federal Work Incentive Program (WIN) is budgeted at the 1979 level, but the expanded 1978 WIN tax credit for hiring welfare recipients results in an estimated \$100 million increase in 1980 over 1979 spending.

#### Title XX Social Services

The one-year increase enacted in 1978 will be continued as a permanent entitlement program of \$2.9 billion, without the earmarking and nonmatching of funds for day care. The entire authorization will be subject to 75 percent-25 percent matching.

A separate permanent entitlement of \$16 billion is established for Puerto Rico and the other territories.

Consistent with the lowered federal deficit policy, a \$26 million cut in the Title XX training authorization offsets continuation of the \$2.9 billion ceiling. This is accomplished by imposing a spending cap on training of 3 percent of a state's Title XX allotment. For fiscal '80, this equals a reduction from the \$80 million authorization of past years to \$64 million.

#### Child Welfare Services

An \$85 million increase—from \$56.5 million to \$141 million—launches the Administration's new Title IV-E proposal. The increased funding will cover adoption subsidies and impose a national spending cap on foster care maintenance costs.

#### Indochinese Refugees

The President's budget includes a legislative proposal to extend refugee assistance beyond the October 1979 expiration. Recent refugee arrivals would receive 100 percent federal assistance for three years. Refugees in need of long-term assistance would be phased into existing state and local programs.

#### Other Social Services

An additional cut from \$24 million to \$20 million for research and training in the Administration for Children, Youth, and Families is slated. Child Abuse, Runaway Youth, and WIN funding continue at 1979 budgetary levels. Current authorization for the Head Start program is increased \$20 million, to \$700 million.

#### Food Stamps

The 1977 Food Stamp Law set a ceiling of \$6.18 billion for fiscal '80. The President's budget lifts this ceiling to \$6.9 billion, an

increase of \$1.2 billion over fiscal '79.

Legislation will be proposed to improve program administration by placing fiscal liability on states with unacceptably high error rates, and to determine benefit levels through retrospective, rather than prospective accounting. Savings from these changes are expected to offset the higher program costs. Legislation will also be proposed to eliminate the ceiling, so that cost-of-living changes, as mandated by the new law, can be made.

The purpose of the food stamp program is to help low income households obtain adequate diets by supplementing their food budgets. Participating households receive food stamps based on household size and income. The program is expected to serve 17.4 million persons in 1980.

#### Community Services Administration

In fiscal '80, an increase of \$12 million is requested to help community action agencies deliver services more effectively and to improve their accountability. Technical assistance to community action agencies is doubled from 1979 to 1980 with an emphasis on developing better managerial skills at the local level. The federal funding match for state economic opportunity offices will be changed from the current 80 percent federal/20 percent nonfederal match to a 50 percent/50 percent matching requirement.

Although no funding is requested for the energy conservation services programs, its activities will be continued through the Department of Energy's weatherization program, and CSA's energy crisis intervention program, which helps low income families combat high utility bills due to winter weather. Funding for this program remains at the 1979 level of \$40 million.

The budget request of \$12 million establishes a new revolving loan fund to be used as seed money for community development credit unions, which will be jointly administered by CSA and the National Credit Union Administration. The credit union will identify community development needs, such as housing, small business, and employment and devise plans directed toward growth and development in those areas.

#### Aging Services

Except for an additional \$23 million to fund home-delivered meals and \$15 million to develop experimental approaches to long-term care, funding under the Older Americans Act remains unchanged. This act provides social services, nutrition, and employment services to people 60 and older.

Specifically, the budget request holds the line at fiscal '79 funding levels for state agencies on aging (\$23 million), area agency services and centers (\$197 million), research, training, and project grants (\$46 million). With the additional \$23 million, nutrition is raised to \$278 million.

## STAFF CONTACTS

This analysis of the federal fiscal '80 budget was prepared by the NACO staff. For further information in any area, contact:

#### Community Development

John Murphy

#### Criminal Justice and Public Safety

Herb Jones

#### Employment

Jon Weintraub

#### Environment and Energy

Mark Croke, Robert Weaver

#### Health and Education

Tony McCann

#### Labor-Management

Chuck Loveless

#### Land Use

Robert Weaver

#### Public Lands

Jim Evans

#### Rural Development

Elliott Alman

#### Taxation and Finance

Elliott Alman

#### Transportation

Tom Bulger

#### Welfare and Social Services

Pat Johnson

## County Opinion

Bernard F. Hillenbrand, NACo Executive Director

# The '80 Budget and Congress

In any overview of the President's budget proposal, we must keep two things in mind. First, Treasury says nearly \$80 billion of federal funds were distributed in 1978 to state and local governments (to fund largely federally mandated spending programs). The new budget proposes to allocate approximately the same number of dollars, but we must remember that with a 6 percent inflation rate, these federal dollars will shrink nearly \$5 billion in grant-in-aid purchasing power.

Secondly, we have to understand that the President's budget is now before Congress and they may choose to restore some of the President's cuts, add to the cuts, or a combination of both.

Budget Director Jim McIntyre has assured NACo that the President is prepared "to defend his budget from attacks either from above or from below (either cuts or restorations)."

This could be terribly important in the case of CETA where congressional support is hardly white hot. The President is proposing cuts of 158,000 of the 625,000 public service positions by the end of 1980. Congress may want to cut even more. He also proposes to cut 250,000 of the 1 million summer employment job spots.

Then there is welfare reform which now as in the past three decades continues to be a top NACo priority. President Carter shows no lack of either compassion or

courage and is purported to be coming back with a proposed \$5.5 billion welfare reform package.

The kicker is that even if the President's plan is approved by Congress, it won't take effect until fiscal '82. This means there will be no fiscal relief for counties until then. This is not good news for counties like Rensselaer County, N.Y. where 90 percent of the county's property tax receipts go to fund federally mandated welfare costs.

The pulling and hauling between the Administration and Congress is also likely to be a factor in securing federal assistance for social services. President Carter is committed to an appropriation of \$2.9 billion for fiscal '80 for the Title XX social service program. Under present law, however, the funding level would drop to its \$2.5 billion authorization next fiscal year.

There are some who think that Congress might be more generous in this program and there is reportedly considerable sentiment for increasing allocations for day care centers, handicapped children programs, and other services to a level of \$3.1 billion.

The President has taken the first step. Eyes are now on Congress who must move ahead on its budgetary timetable which culminates in voting on spending limits for the next fiscal year.

## ...Whither Revenue Sharing?

In his budget message President Carter says, "No decisions have been made concerning the extension of the program (general revenue sharing) beyond 1980." Authorization for general revenue sharing runs out Sept. 30, 1980. There is, however, in the budget details a figure of \$6.855 billion for general revenue sharing in 1981 and projections of a similar amount for 1982.

The President has often expressed the opinion, both as governor of Georgia and as president-elect, that states should be excluded from the one-third of general revenue sharing funds they receive under present formulas.

He argues that states can increase their own taxes. States in turn are likely to respond that while this might be true in theory, it is now politically impossible to increase state taxes on the wave of the Proposition 13 phobia and constant federal tax cuts.

NACo supports the states as partners in general revenue sharing; on the basis of equity and also from the very practical point of view that this is not time to have a tug of war between the states and their political subdivisions.

Many also believe that even if the states' portions of general revenue sharing were to be diverted to cities and counties, most state legislatures would find ways of passing an equal amount of new costs back to these local governments.

President Carter is only half of the general revenue sharing equation. Many powerful congressmen bitterly oppose general revenue sharing. Counties and our state and city partners are going to be very busy defending this very vital program against a host of crippling pro-

posals such as redesigning the allocation formula; further "targeting to select communities;" eliminating states from the program; and, the adding of new spending restrictions.

Since it must go to the same committees, the first test of the congressional climate for general revenue sharing enactment is likely to come early in the session as members debate the merits of enacting a new countercyclical aid program.

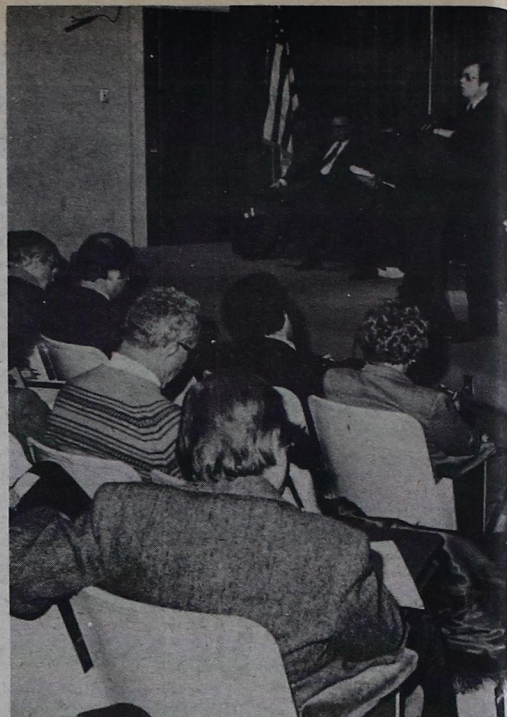
Last year a countercyclical program that would have allocated \$1.3 billion of federal funds to 16,000 communities with high unemployment died in the closing hours of Congress despite strong support from NACo and other groups.

In the President's current budget he is asking for \$250 million in fiscal '79 and a similar amount in fiscal '80 for a highly targeted program.

While details have not yet been worked out, there have been press reports that the new countercyclical aid program would concentrate funding on 70 cities and 30 urban counties of over 100,000 population and with very high unemployment.

Some congressional observers do not believe that a scaled down version of countercyclical aid with so few recipient governments can win passage in the face of very determined opposition from anti-state and local government forces on Capitol Hill.

One very powerful congressional leader has said flatly: "I know a snake when I see it. You can call it countercyclical aid. You can call it supplemental fiscal assistance, but I know what it is. It's a snake and I'm going to stamp out that little snake."



**BUDGET BRIEFING**—A special budget briefing was held for public interest groups like NACo prior to the release of the President's '80 budget. Here OMB Director James McIntyre answers questions.

## Letters to the Editor

Dear Mr. Hillenbrand:

I read with much interest the letter to Dan Rather from John V.N. R. which was reprinted in the Jan. 8 *County News*. It was encouraging to find that a coalition is being formed to promote the preservation of our natural farmland.

Being in the rolling farmlands and thick loess soils of west Tennessee many here in Fayette County are aware of our priceless soil resource. We also directly adjacent to Shelby County and the ever-sprawling Memphis Metropolitan Area. Our county is fast seeing its 450,000 acres dotted subdivisions. Farmland is being lost here at an increasing rate, and Mes continues to sprawl.

Some here understand the need for land use restrictions to protect things as prime farmland. Many, including some leaders, believe that should promote growth at all costs, and that an undeveloped county suffers is foolish to try to restrict or even control development.

To complicate matters further, many farmers here will not support agricultural zoning. With land prices so high, they anticipate selling out to developers if crop prices fall off.

We are in a dilemma for sure unless efforts are undertaken to educate the American public to the problem.

—Wm. David S.  
Fayette County Executive

# Funds for Aging May Be Less Than Appears

Counties attempting to meet the needs of the elderly should not anticipate added help from the federal government in fiscal '80. What appears to be holding the line will actually become a decrease.

In describing the fiscal '80 money for aging services, the Department of Health, Education and Welfare (HEW) uses the phrase, "total funding up \$50 million over two years." Ed Howard, general counsel of the House Select Committee on Aging, analyzes the changes in that same two-year period (1978 to 1980) differently.

Howard starts with the \$709.65 million appropriated for Older Americans Act programs for fiscal '78 (in these services, the virtual equivalent of budget outlays), adjusts with an 8.5 percent inflation rate twice and arrives at \$835.4 million—the total necessary to provide the same level of services in fiscal '80 as provided in

1978. This is \$40 million more than this budget request of \$793.8 million for services provided through the Older Americans Act.

Specifically, the budget request

## Analysis

holds the line at fiscal '79 funding levels for state agencies on aging (\$23 million), area agency services and centers (\$197 million), research, training, and project grants (\$46 million). Additional money is requested only for nutrition (\$278 million—an increase of \$23 million for additional home-delivered meals only) and long-term care demonstrations (a new \$15 million). Both changes were authorized in the recent amendments to the act. (An extra \$14 million to cover two more provisions of the 1978 amendments will be requested in a

1979 supplemental but it is not added here.)

**THERE IS AN** increase also in the Senior Community Employment jobs program, authorized by the Older Americans Act and administered by the Department of Labor (from \$220.6 to \$234.8 million). However, that should barely be enough to cover the increase in the minimum wage without adding any new job slots at all.

Similar problems appear with other budget items which counties rely upon in meeting the needs of the elderly.

For example, Section 202 housing funds remain the same, but increased per-unit costs will mean a loss in actual units. The level of assisted housing for the elderly under the Section 8, Conventional Public Housing Program is uncertain at this point because it depends on whether projections by the Department of Housing

and Urban Development (HUD) of 300,000 total units can be met.

There are also omissions. HUD did not include a request for services to be provided in congregate housing sites—citing the "demonstration" element of the program as a reason. Instead, it relies on \$10 million appropriated in fiscal '79 and will undertake an evaluation before requesting more.

**THERE ARE MEASURES** which seem reasonable but can lead to devastating personal results in the long run. For example, HEW has proposed legislation to require employers of workers over 65 and the elderly self-employed to share with the federal government the cost of hospital insurance benefits. At present, those contributions are terminated when the employee becomes eligible for Medicare. Although HEW could save \$200 million in fiscal '80 and \$355

million in fiscal '84 in this way anticipated that this could become a major, negative factor in the potential employability of an older worker.

Finally, there are the moneys devices in the proposed cuts in Social Security benefits. HEW's plan to make technical corrections to the legislation will save \$511 million in fiscal '80, \$2.4 billion in fiscal '81, and nearly \$3.4 billion in fiscal '82—the expense of Social Security payments.

These proposals attempt to cut the Social Security system of major, mandated studies of policy changes are completed. Most of them also face immediate and widespread opposition. These cuts are automatically essential, however, HEW budget is to appear balanced.

—Mary Brugger Murphy, N

# Push for Uniform Eligibility Rules

WASHINGTON, D.C.—President Carter recently announced a major Administration initiative to bring simplicity and efficiency to eligibility determination among federal income assistance and human services programs.

Officials from the Office of Management and Budget (OMB) and the Department of Health, Education and Welfare (HEW) called on NACo's Executive Director Bernard F. Hilbrand and key staff members to discuss the president's initiative and suggest some idea of problems with eligibility determination at the local level.

In announcing the eligibility simplification project as part of his overall government reform strategy, the president said, "If we are to be successful in our efforts to make government work better, one myth must be dispelled—that the values of compassion and efficiency are somehow in opposition to each other."

## ADMINISTRATION'S ACTION

The project is an interagency effort by OMB, HEW and other departments to simplify and standardize the terms, definitions and procedures which affect the delivery of human services and the eligibility determination process.

The seven programs for inclusion are Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), food stamps, Medicaid, CETA, Title XX Social Services and Section 8 low-income housing.

In the meeting with NACo, Administration officials pointed out that while it is not feasible to establish a single set of eligibility requirements for all human services programs, from a policy standpoint, there is opportunity to achieve much greater uniformity.

Potential benefits from this initiative include:

- More understandable procedures. Application forms will be less time-consuming and less difficult for the citizen.

- Better service delivery. Relieved of excessive paperwork burdens, caseworkers will be more productive.

- Reduced administrative costs. Use of techniques such as prescreening and information-sharing procedures will curtail costly duplications of effort.

- Better controls. Simplifying procedures and establishing uniform terms and definitions, and sharing information among programs will greatly reduce the incidence of both error and fraud, in addition to cutting overall management costs.

## NATURE OF PROBLEM

Today governments at all levels—federal, state and local—spend more than \$60 billion a year on various forms of assistance to poor and low-income families. Each of the seven major programs already mentioned maintains its own broad array of eligibility standards, and its own voluminous set of application requirements.

Procedures differ from one program to another, with each employing its own terms and definitions even for such key eligibility factors as income and wealth. The result is an administrative nightmare for public officials and applicants alike.

Dimensions of the growing red tape problem are evidenced by figures

contained in last year's report of the Federal Paperwork Commission, which show that the seven federal programs cited maintain 400 pages of eligibility regulations.

The current system also invites opportunities for fraud and evasion. Those applying for multiple programs can provide different information to different agencies. With this information recorded on different forms, kept in different offices, and checked by different workers, the opportunities for fraud are obvious.

The inability to cross-check data from one program to another only enhances these opportunities.

## BACKGROUND

During a recently completed study by OMB entitled, "Reorganization Study of Human Services Programs," a key issue repeatedly addressed through the public consultation process was the duplicative and inconsistent administrative requirements for determining applicant eligibility.

In responding to the study last

October, NACo recommended, in part, that OMB and the federal agencies:

- Standardize federal terms and definitions relating to eligibility across all human services programs.

- Simplify and standardize common eligibility requirements and application forms.

- Standardize eligibility criteria among programs designated for specific target populations.

The President's Reorganization Project took these recommendations

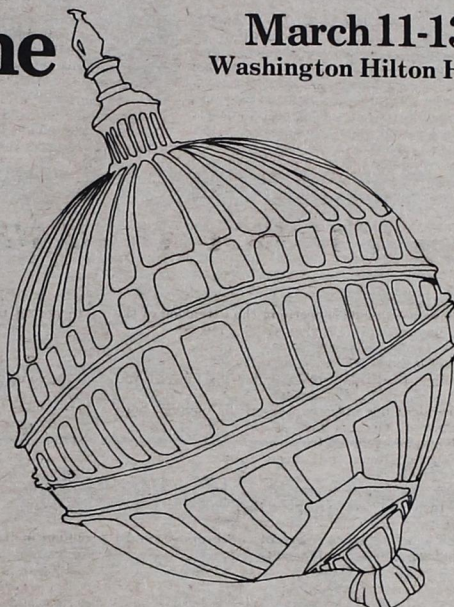
into account as well as those emanating from the report of the Commission on Federal Paperwork.

The delegation of federal officials to discuss the President's initiative with NACo was led by Pat Gwaltney, deputy associate director for human resources organization studies, OMB and Fred Bohen, assistant secretary for management and budget, HEW. For additional details contact: Al Templeton, Eligibility Simplification Project, OMB/PRP, Room 3206, NEOB, Washington, D.C. 20503, 202/395-5093.

## 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.

## Conference registration fees:

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

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(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 \_\_\_\_\_

## 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.

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.

Call NACo's Hotline

(202) 785-9591

**COST-SHARING A MAJOR ISSUE****President's Water Policy Analyzed**

WASHINGTON, D.C.—Presidential attempts to reform water policy are not new. By one estimate, every president since Eisenhower has tried to effectuate some reforms. While past attempts have been largely unsuccessful, Congress' failure to override President Carter's veto of water projects last year may indicate a presidential strength in this area which could lead to adoption of his water reform package.

Based on a review of current water policies and programs, President Carter had prepared a package of proposals designed to reform the nation's water resources policy. Included were plans to:

- Provide a national emphasis on water conservation;
- Enhance federal-state cooperation;
- Increase attention to environmental quality and;
- Improve planning and management of federal water programs.

**REVISED PRINCIPLES & STANDARDS**

Most of the initiatives announced by the President last June are directed to the administering agencies and will not require any congressional action. A major initiative is directed to the Water Resources Council and the implementation of the principles and standards governing the planning of federal water projects.

Suggested improvements include: adding water conservation as a specific component of both the economic and environmental objectives; specific and consistent procedures for performing benefit-cost analysis and the development of a manual to accomplish this; and the formation of an independent review process to ensure that all water projects have been planned in accordance with the principles and standards. These requirements would apply to all authorized projects not yet under construction.

The President has also proposed criteria for priorities among eligible water projects, including widely distributed benefits, net economic benefits, evidence of active public support including support by state and local officials and expedited consideration for

projects in which the state assumes a greater proportion of the cost sharing. The latter initiative is one of the more significant of the suggested reforms and will require legislative action before it can be implemented.

**COST SHARING**

While the Administration has not yet prepared a specific legislative proposal, the following provisions on cost sharing will almost certainly be included. For water projects with vendible outputs (such as hydroelectric power) states would contribute 10 percent of the costs and receive an equal proportion of the revenue. For other projects (such as flood control) the state share would be 5 percent of the costs.

The legislation would provide a cap on state participation of one-fourth of 1 percent of the state's general revenues in order to ensure that even small states could participate. This cost-sharing arrangement would be mandatory for all projects not yet authorized.

For projects authorized but not yet under construction, states which enter into these cost sharing arrangements will receive expedited consideration and priority for funding. All Soil Conservation Service projects are exempted from this proposal.

In exchange for assuming a greater part of the costs states will be able to participate more actively in project decisions.

**CONSERVATION**

Only slightly less dramatic than the cost-sharing proposals are the initiatives on water conservation. Of particular concern to counties is the directive to the Environmental Protection Agency, the Department of Agriculture and the Department of Commerce making appropriate community water conservation measures a condition of the water supply and wastewater treatment grant and loan programs. In addition, water conservation requirements must be integrated into the housing assistance programs. Furthermore, the Secretary of the Interior has been directed to improve irrigation repayment and water service contract procedures.

To accomplish this, all new and renegotiated contracts will include a provision for recalculation and renegotiation of water rates every five years (rather than the current practice of 40-year contracts) and a more precise calculation of the "ability to pay" provisions governing the recovery of project capital costs.

While all of these actions could be implemented administratively, the Administration is preparing a legislative proposal which would allow states to require higher prices for municipal and industrial water supplies from federal projects as a way of encouraging conservation. The excess of revenues over costs would be returned to municipalities for use in water conservation or system rehabilitation.

**STATE PLANNING**

The President's June water policy statement refers to states as the focal point for water resource management. Therefore the Administration proposes increasing from \$3 million to \$25 million annually the funding of state water planning efforts and providing \$23 million annually in grant assistance for implementing water conservation technical assistance programs.

Unclear is how the state planning effort will affect project funding decisions at the federal level and what role local government water resource planning will play.

The President has also proposed, and has established, a task force of federal, state, county, city and other local officials to address water-related problems. The task force, which has met with the President once and will meet three or four times a year, has two NACo representatives serving on it: Neal Potter of Montgomery County, Md. and David Santilanes of Bernalillo County, N.M.

The first meeting of the task force concentrated on the cost-sharing issue. Future meetings will have to look at the President's environmental protection proposals.

While the President does not propose any additional environmental protection legislation, he has directed agency heads to vigorously enforce existing legislation.

Specifically, submissions to the Office of Management and Budget must include reports on compliance with environmental status and a designation of project funds for environmental mitigation. The President has also directed the accelerated implementation of Executive Order No. 11988 on flood plain management, which restricts activities in flood plains unless there is no other alternative.

**NACo WATER RESOURCES POLICY**

Current NACo policy urges the extension of state and local control over water resource allocation, use and management. The policy further supports the consideration of conservation water project planning and evaluation. The policy does not address the problems of state local planning, cost-sharing arrangements, funding for individual water projects. In action, pricing is only addressed from the point that local governments should only be charged cost recovery prices for water from federal water projects.

**ISSUES REMAINING**

The President's water resources policy forms consist primarily of standardization of current practices, vigorous enforcement of existing legislation and increased planning technical assistance grants to states.

The only major legislative initiative in the federal-state cost-sharing, a potentially controversial issue which has not yet been examined in Capitol Hill. Consequently, a number of major issues remain either unresolved or unaddressed by the President's proposals, following is a partial list:

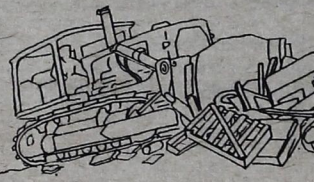
- Urban water system rehabilitation;
- Water quality as contrasted with quantity;
- Local government involvement in state planning and federal project planning management;
- How state plans will affect federal project funding decisions;
- How local planning, such as under Section 208, will be incorporated in the state plans.

—Mark O.

## 2-Day Solid Waste Resource Recovery Seminar

### February 27-28

623 Union St.  
Nashville, Tennessee 37219  
615/ 259-1234



The seminar is designed primarily for municipal and county officials and private and professional individuals who are interested in gaining a better understanding of current municipal solid waste resource recovery and conservation practices.

The seminar will consist of:

- formal presentations,
- case studies,
- audience participation sessions.

The seminar will offer:

- a comprehensive overview of resource recovery,
- anticipated problems,
- various approaches for community implementation.

A \$75 registration fee includes:

- all seminar materials,
- coffee during breaks,
- two luncheons.

Make checks payable to EPA Resource Recovery Seminar.

A block of rooms has been reserved at the Hyatt Regency. Singles \$34, twin/doubles \$44. Hotel reservations must be made by Feb. 5. Please indicate your room requirements on the attached pre-registration form. Your hotel reservations will be processed only after your conference registration fee has been received.

For further information, contact Convention Registration Center at (703) 471-6180. Mail address is EPA Resource Recovery Seminar, P.O. Box 17413, Dulles International Airport, Washington, D.C. 20041.

**New Faces on Hill**

Continued from page 1

their state legislatures or as state officials and three are former city officials.

The former county officials are:

**Beryl F. Anthony Jr. (D-Ark.):** Anthony has been active at both the state and county level. A former assistant attorney general of Arkansas, he served as prosecuting attorney for the 13th Judicial District from 1971-76 and as deputy prosecuting attorney for Union County from 1956-70. His major committee will be Agriculture.

**Eugene V. Atkinson. (D-Pa.):** As Beaver County\* commissioner from 1972-78, Atkinson was concerned with highway and bridge problems. He was formerly director of Customs for the Port of Pittsburgh and will continue to work on transportation as a member of the House Public Works and Transportation Committee. He will also serve on the Oversight Committee. Another of his concerns is the needs of senior citizens.

**William Carney (R-N.Y.):** Carney comes to the House from his first elective office as Suffolk County legislator from 1975-78. He hopes to serve the needs of Long Island's large fishing industry on the Merchant Marine and Fisheries Committee and has expressed concern over the problems of inflation and rising taxes on the local as well as the federal level.

**James A. Courter (R-N.J.):** Courter is no newcomer to Washington, having served as D.C. assistant corporation counsel in 1969-70. More recently, he was first assistant Warren County prosecutor from 1973-77 and has also had local experience on the township level. A concern about government spending has resulted in his being placed on the Post Office and Civil Service Committee, with a special in-

terest in the future of Social Security taxes.

**Michael Lowry (D-Wash.):** A county councilman from 1970, Lowry previously served on the staff of the Washington Senate Ways and Means Committee. Active on the Transportation Steering Committee, Lowry was president in 1978 of the Washington State Association of Counties. He brings to the House interest in housing and land policies.

**Norman D. Shumway (R-Calif.):** ter four years as San Joaquin County commissioner, Shumway defeated veteran congressman John M. Ladd to take an active role in the California Association of County Supervisors. He comes to Washington convinced that more decision-making authority should rest in the hands of local officials. He plans to introduce a bill to limit the number of terms a congressman can serve and is cosponsoring a bill to balance the budget and federal spending.

**Edward J. Stack (D-Fla.):** After previous attempts, Stack defeated Herbert Burke to become the freshman to reach the House in a decade. At 68, he represents a large constituency of senior citizens in Broward County where he served as sheriff from 1969-78. He was commissioner-mayor from 1970-74. He will serve on the House Committee on Aging.

**Lyle Williams (D-Ohio):** Williams comes to Congress from a stint as commissioner in Trumbull County, defeating Charles J. Conaway. He will be dealing with his concerns during the next session serving on the Government Operations and Small Business Committee.

—Joan A.

Enclosed is \$\_\_\_\_\_ (\$75 per person) for the following participants:

(Detach and return coupon below with your seminar registration fee by Feb. 26.)

EPA Seminar, P.O. Box 17413, Dulles Airport, Washington, D.C. 20041

Resource Recovery Technology-An Implementation Seminar

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Please reserve the following for me:

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(Sharing room with \_\_\_\_\_)

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Date of Departure \_\_\_\_\_