This Week

- Federal aid briefing set, page 3.
- Action on public works likely, page 3.
- Legislative priorities series, page 5.

County News

Our Prayer: "The Wisdom to Know and the Courage to Defend the Public Interest."

Vol. 9, No. 5

Jan. 31, 1977

Washington, D.C.

ISSUING WELFARE STATEMENT—NACo's representatives on the New Coalition meet with Florida Gov. Reubin O'D. Askew, chairman of the New Coalition. From left are Dan Lynch, NACo president and Douglas County, Neb. commissioner; Gov. Askew; Terrence Pitts, NACo chairman for Health and Education, and Milwaukee County, Wis. supervisor; and Frank Jungas, NACo chairman for Welfare and Social Services, and Cottonwood County, Minn. commissioner. The New Coalition calls for welfare reform.

New Coalition Urges Action on Welfare

WASHINGTON, D.C.—Members of the New Coalition have called on the Administration and Congress to take immediate steps to reform the nation's present welfare system.

In a statement released at its Jan. 19 meeting, the New Coalition, chaired by Florida Gov. Reubin Askew, said, "We can no longer afford the continuation of the patchwork of present programs which provides grossly unequal benefits across the states, encourages family breakup, and discouraes self-sufficiency . . . the United States must address itself to meeting the minimum needs of its poor citizens."

State and local officials believe that welfare reform must be a priority this year. In order to begin this reform, Congress is being pressed to allocate additional funds in the fiscal '78 federal budget for income support programs. New Coalition members plan to work closely with the Administration and Congress to get both interim and long range reform proposals enacted as soon as possible.

In addition to the New Coalition statement (see page 2 for full text of statement), the group released a report prepared by its Welfare Reform Task Force, chaired by Oklahoma Gov. David L. Boren. This report identifies many of the substantive issues that must be addressed in reforming the present welfare system. The summary took six months to complete and involved representatives from almost 30 governmental jurisdictions in over 20 states. Copies of the report are available from NACo's Federal Affairs Department.

The New Coalition is composed of representatives of each of the five national local and state organizations: the National Governors' Conference, National Association of Counties, U.S. Conference of Mayors/National League of Cities, and U.S. Conference of State Legislatures. The president of each of these organizations serves on the New Coalition.

Members include the following governors: Reubin O'D. Askew (Fla.), Robert D. Ray (Iowa), and Michael S. Dukakis (Mass.); state legislators: Speaker Martin O. Sabo, St. Paul, Minn.; House Minority Leader Tom Jensen, Nashville, Tenn.; and Speaker Leo T. McCarthy, Sacramento, Calif.

The New Coalition also consists of several mayors: Hans Tanzler, Jacksonville, Fla.; Kenneth Gibson, Newark, N.J.; John Poelker, St. Louis, Mo.; and Lee Alexander, Syracuse, N.Y. County officials include Commissioner Dan Lynch, Douglas County, Neb.; Commissioner Frank Jungas, Cottonwood County, Minn.; and Supervisor Terrence Pitts, Milwaukee County, Wis.

Califano Sets May 1 for Reform

WASHINGTON, D.C.—Health, Education and Welfare Secretary Joseph A. Califano Jr. announced Jan. 26 the establishment of a Welfare Reform Consulting Group whose work will form the basis for the Secretary's welfare reform recommendations to the President.

Califano said the welfare study should be completed May 1 and the reform legislation sent to Congress as soon as possible after that.

The Welfare Reform Consulting Group, to be chaired by President Carter's nominee for HEW assistant secretary for planning and evaluation, Henry Aaron, will include representatives assigned by the chairman of the Senate Finance Committee; the chairman of the House Ways and Means Committee; the secretaries of Treasury, Agriculture, Labor, and Housing and Urban Development; the chairman of the Council of Economic Advisors; and the chairman of the New Coalition.

Califano said, "The individuals representing the staffs of these key congressional committees and the various organizations of state and local government can bring to bear a wealth of experience with the welfare system, and it is this knowledge that we seek from the very beginning. The executive branch of the federal government, acting alone, cannot and should not attempt to devise a program that must receive wide acceptance if it is to succeed."

SENATE BILL

$11.4 Billion for Transit

WASHINGTON, D.C.—Sen. Harrison (Pete) Williams (D-N.J.) introduced Jan. 12 a comprehensive transit bill (S. 208) that would add $11.4 billion to the current program—beginning in 1978 and extending through 1982. The current program expires in 1980.

In introducing the bill, Williams cited the landmark 1974 transit bill that has provided the resources to "invigorate the quality and quantity of public transportation." He said that "in order to continue this trend of increasing transit improvements and urban benefits and in order to prevent an interruption in the funding of major transit projects, revisions to the Urban Mass Transportation Act are vitally needed."

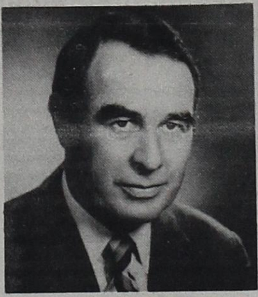
NACo's Transportation Policy Steering Committee adopted a resolution in December that generally supports some features of the Williams bill, without specifying a dollar amount. The NACo board, in a statement of 1977 priorities prepared for the Carter Administration, pointed out that "Hard choices have to be made about the future direction of the nation. There are many needs. Not all can be met without sacrifices."

Williams said that "although obligation authority of $3 billion is still available, the capital program is actually more than depleted." Much of the money is committed to major rail systems planned or under construction in Atlanta, Detroit, Baltimore, Dade County, Fla. and northern New Jersey.

To assure sufficient funds for bus systems, the bill would provide that the first $500 million made available each year be apportioned among 279 urbanized areas of the nation for bus purchases. Currently bus and rail projects compete with each other under section 3 discretionary grant authority. For fiscal '77, $1.25 billion is authorized for the capital grant program. Over the five years of the proposed program extension, total capital grant authorizations would increase from $1.9 billion in 1978 to $2.5 billion in 1981.

Williams maintains the annual administrative apportionment of the $500 million in bus funds should "permit each area to make replacement plans based on assured availability of federal funding."

The proposed legislation would



Williams

also assure the predictability of section 5 formula grant funds. It would authorize $1.1 billion for fiscal '81 and $1.25 billion for fiscal '82.

NACo's resolution urges gradually increasing transit funding levels, beginning with 1978, with most of the increase in section 5. It is section

See $1.4 BILLION, page 3.

Carter Smiles on Jobs Funds

WASHINGTON, D.C.—With the new Administration's emphasis on jobs programs, major increases in funding are expected to be funnelled to prime sponsor counties, cities and states under the Comprehensive Employment and Training Act (CETA) early in the spring

Carter has announced plans to double the public service jobs funded by Titles II andVI this year, and labor department sources hint at a major supplemental appropriations request to create a number of new

See CARTER, page 7.

NACo Seeks GRS Comments

WASHINGTON, D.C.—Counties are being asked to comment on interim regulations issued by the Office of Revenue Sharing (ORS) which became effective Jan. 1.

The interim regulations are for subparts (B) Assurances Reports, Public Participation and Public Hearings and (F) Fiscal Procedures and Auditing of the 1976 Amendments to the Fiscal Assistance to State and Local Governments (P.L. 92-515).

Since all of the nation's counties participate in the General Revenue Sharing program, NACo invites all counties to participate in this effort to ensure appropriate guidelines. As additional revenue sharing guidelines are published, NACo will keep you aware of them.

At present, NACo is interested in your comments concerning the following issues and questions:

- The act specifies that the government perform an audit "not less often than once every three years covering the three year period." We believe the legislative intent was for an audit ". . . not less often than once within every three year period."
- The law sets out an option for recipient governments whose financial statements are audited "by independent auditors under state or local law." The regulations do not permit recipients to seek a waiver if employes of the audit agency are under a civil service system of the recipient government.
- Which funds of a recipient must be audited?
- What constitutes a "compliance audit"?
- Why has a time limit been set for obtaining an application for waiver when accounts are unauditable?
- Presently, the public hearing requirement applies to the amendment, revisions, or modification of an enacted budget where a major change is composed. A major change is defined as any change in the enacted budget that affects the use of 10 per cent or more of entitlement funds. Is this, in fact, a major change?

NACo will be making formal comments in February. Interested counties should send comments to NACo by Feb. 3. Copies of these regulatons can be obtained from NACo headquarters and may be found in the *Federal Register* (pp. 2196-2198 and pp. 2422-2424).

Comments or additional information should be directed to: Carol Berenson, New County Center, 1735 New York Ave., N.W., Washington, D.C. 20006.

Carter's Economic Stimulus Program

Page 3

NEW COALITION

Welfare Statement

The New Coalition urges the Administration and Congress to take immediate steps to modify and reform the nation's present income transfer programs. We can no longer afford the continuation of the patchwork of present programs which provides grossly unequal benefits across the states, encourages family breakup, and discourages self-sufficiency. As state and local officials, we can no longer bear the mandating of an overly complex and error-prone administrative system nor afford the increasing tax burden of welfare programs that are concentrated in the older urban areas which face severe fiscal difficulties.

The United States must address itself to meeting the minimum needs of its poor citizens. It can do so humanely while retaining a strong commitment to employment and self-sufficiency. In fact, there is a major link between income transfer programs and federal job policies. It is our belief that able-bodied persons prefer work to welfare. The federal government should stimulate job development in the private sector and in the public sector, if necessary, with the goal of sharply reducing unemployment. A federal work program should provide long- and short-range employment and economic policies and planning on the national level.

As a coalition of state and local elected officials, we are convinced that the public recognizes the need for welfare reform. In addition, all of the organizations of elected officials which comprise the New Coalition have, over the past year, taken public positions favoring welfare reform.

While the development of a specific program will not be easy, it can and must be done. We recognize that each organization prefers certain priorities and approaches to welfare reform. While there is a growing consensus, differences do remain. However, these differences should not provide an excuse for inaction. Reform is needed, and the federal legislative process provides the mechanism for compromise and priority setting. We believe that this process must begin now.

The New Coalition believes that there are a number of acceptable means to accomplish reform.

We believe that the basic goals of reform should include:

- Equity among the states;
- Adequate benefits for those in need;
- Fiscal relief for state and local government;
- A strong work requirement with an emphasis on job creation;
- Consolidation of existing programs;
- Elimination of categorical distinctions in existing programs; and,
- Streamlining of administration and reducing of administrative costs.

If program changes are to be accomplished in the near future, we must move soon to the discussion of specifics. Toward that end, the New Coalition calls upon Congress and the Administration to:

- Introduce detailed welfare reform legislation and conduct public hearings, including regional hearings, at the earliest possible date within calendar year 1977;
- Allocate additional significant funds for income support programs for fiscal '78 with the funds to be earmarked for the first phase of welfare reform and/or short-term relief for hard-pressed state and local governments. (Relief provided to the states shall be shared with those localities required by state law to match federal funds for AFDC in order to provide for the early elimination of existing required local shares.)

In urging these two steps, the New Coalition recognizes the extreme complexity of the present welfare system and the detailed substantive work that must be done by the new Administration in preparing a welfare reform program. We also recognize the serious fiscal constraints that face the nation. However, much groundwork has already been done and the solution to the welfare problem is a critical element in the economic health of many areas of the country. It must be a priority this year.

The coalition recognizes that political and financial considerations may require a phasing of program implementation. The phasing in or interim changes should, however, be an integral part of the long-range reform program. The coalition believes that such a phase-in must provide substantial and immediate fiscal relief for hardpressed state and local governments.

The New Coalition believes that welfare reform must be developed through a cooperative effort by all levels of government. We urge the President and Congress to provide for complete and effective involvement of state and local officials at the earliest possible point. Toward this end, the coalition has requested the opportunity to meet with the congressional and executive branches to share with them the state and local experience in the development and administration of welfare programs.

As an initial step in providing state and local input, we are making available the report of the New Coalition's Welfare Reform Task Force. This report identifies many of the substantive issues which must be addressed. It is the summary product of a six-month effort that involved representatives from almost 30 governmental jurisdictions in over 20 states.

While it is probably impractical for the New Coalition to attempt to adopt policies in the detail outlined in the Task Force Report, we believe that the issues and options presented should be carefully evaluated by each of our organizations and by those seriously interested in substantive welfare reform.

Job Opportunities

Personnel/Finance Specialist, Livingston County, Mich. Salary $17,000. Graduate degree and governmental experience desirable. Resume to Department of Internal Services, 314 E. Clinton St., Howell, Mich. 48843.

Tax Collection Manager, Multnomah County, Ore. Salary $18,374 to $21,486. Requires degree in economics or related field plus minimum of two years financial management, banking, or related experience. Resume to Ms. Susan Ayers, Personnel Analyst, 426 S.W. Stark, Portland, Ore. 97204. Deadline is Feb. 7.

Director of Employe Relations, Allegheny County, Pa. Salary open. Opening for management professional to lead re-organization of personnel functions; broad responsibility for revising and administering employe/labor relations policy for 8,000 person workforce. Strong managerial ability and direct union experience required; public sector knowledge desirable. Resume and salary requirements to Director of Administration, 101 Court House, Pittsburgh, Pa. 15219. E.O.E.

Personnel Director, Broward County, Fla. Salary $21,524-$30,413. Administrative competence and thorough knowledge of personnel management policies, practices, procedures; also related four year degree and five years experience, preferably in large central personnel agency. 3,000 employes. Resume and work history to Director of Central Services, 201 S.E. 6th St., Ft. Lauderdale, Fla. 33301. Deadline Feb. 28.

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Counties, the Congress, & the New Administration

To better serve its conference delegates, NACo will pre-register delegates to its legislative and annual conferences. This pre-registration is being made available through a new computer system which should provide speedier service to delegates both before and during the conferences.

By sending NACo only one form, delegates will both register for a conference and reserve hotel space at the same time. (Housing in conference hotels will be available only to delegates who have pre-registered.) Conference registration fees must accompany this form and may be either a personal check, county check, county voucher or the equivalent.

Hotel confirmations will be sent directly to delegates. Hotel reservation records will be maintained in the NACo offices and can be easily checked.

Because of this new service, delegates arriving at a conference can pick up materials, tickets and badges in a minimum of time. No additional forms need be completed. NACo anticipates this "one-stop" conference service will be provided at all major NACo meetings in the future.

To make conference pre-registration and housing reservations . . .
return this form to: National Association of Counties
1977 Legislative Conference
1735 New York Ave., N.W.
Washington, D.C. 20006

1977 Legislative Conference Registration

Name ____________________

Title ____________________

County ____________________ Telephone ____________________

Street ____________________ State ____________ Zip ________

Spouse name, if attending ____________________

Please register me for the 1977 NACo Legislative Conference—March 20-23, 1977, Washington, D.C.

Registration fees:		
	NACo CMS member	$ 95
	Non-member	125
	Spouse	50

Total due $__________

Enclose check, official county purchase order or equivalent.
Make payable to NACo.
No telephone requests for registration or housing will be accepted.

Your hotel reservation will be processed only after your conference registration has been received.

Name of your congressmen ____________________

1977 Legislative Conference Housing Reservation

Name(s) ____________________

Arrival date ____________________ Time __________

Departure date ____________________ Time __________

Housing request at Washington Hilton (please check)

☐ Single $34, $37, $40, $43, $46
☐ Double/twin $46, $49, $52, $55, $58
☐ Suites $123 and up

Deadline for hotel reservations is March 1

1977 Legislative Conference

Youth Legislation Popular in 95th Congress

WASHINGTON, D.C.—Among the many proposals introduced during the new Congress' first weeks, youth legislation is clearly a favorite. The bills which have already been introduced generally include some combination of the following: a new youth Title of CETA; expanded appropriations for Job Corps and/or summer youth; a national youth service corps; increased funds and broader eligibility for the Youth Conservation Corps; and a special youth program in the private sector.

In analyzing the various bills currently under consideration, it is essential to recognize that tremendous modifications take place as a part of the normal legislative process. It is likely that a proven leader in the manpower field, like Sen. Gaylord Nelson (D-Wis.), will develop a compromise measure combining the best or most acceptable portions of earlier proposals at a later date.

Meanwhile, here is a summary of a few of the more significant bills:

HUMPHREY-JAVITS

Among the first round of bills, the Comprehensive Youth Employment Act of 1977 (S. 170) appears to be the leader. Introduced by Sen. Hubert Humphrey (D-Minn.) and Sen. Jacob Javits (R-N.Y.), S. 170 combines a number of the specific proposals that have been introduced separately.

Title I of this bill amends CETA by creating a new Title VII—"Youth Employment and Community Service Programs." This new title authorizes CETA prime sponsors to establish four new categorical job creation and counseling programs for youths.

The Youth Community Service program would create public service employment opportunities for youths on special projects, providing needed services to their local communities. The program would be open to all youths, although the allocation formula channels extra funds to prime sponsors having large numbers of low-income or unemployed youths.

Community service projects could be proposed by any state or local agency, or any public or private non-profit organization, including youth service agencies, community-based organizations, labor unons, and many others.

Youth Opportunity in Private Enterprise would allow CETA prime sponsors to contract with public and private non-profit agencies to develop programs to place youths in jobs in private enterprise and to provide necessary counseling, training and supportive services to participating youths and employers. Direct wage subsidies would not be allowed.

See YOUTH, page 8

Region 5 Federal Aid Briefing Set

Region V of the Council of Intergovernmental Coordinators will hold a federal aid briefing Feb. 28 and March 1 in Chicago, Ill. at the Marriott Motor Hotel (O'Hare).

The one and one half day session will provide an educational forum on grant and legislative developments, as well as an opportunity to educate new coordinators on the intergovernmental process.

The first day morning session will have the theme, "Federal Dollar Return to the Great Lake States." Ralph R. Widner, president of the Academy for Contemporary Problems, will participate.

A member of the Congressional Coalition for Northeast/Midwest Economic Advancement will speak at the Monday luncheon. That afternoon, regional representatives from the Environmental Protection Agency, Housing and Urban Development, and Law Enforcement Assistance Administration will participate in a panel on developments in federal programs. There will be an evening session conducted by four senior grants coordinators on grantsmanship for the newcomers to this field.

A panel on the public works program, its problems and its future, will kick off the half day session on Tuesday, March 1. A session on indirect cost allocations of HEW will conclude the briefing.

For further information contact Bill Barron, manager, Program Development, Lake County and President of Region V of the Council of Intergovernmental Coordinators, 18 North County Street, Waukegan, Ill. 60085, (312) 689-6655.

Walsh

Selected as Health Advisor

WASHINGTON, D.C.—Jack Walsh, former supervisor of San Diego County, Calif., has been appointed by outgoing Health, Education and Welfare Secretary David Mathews to the National Council on Health Planning. Walsh is one of four consumer representatives on the 15-member council.

The National Health Planning and Resources Development Act of 1974 (P.L. 93-641) authorizes the development of the council and declares it "responsible for advising and making recommendations with respect to the development of national guidelines for health planning; the implementation and administration of P.L. 93-641; and an evaluation of the implications of new medical technology for the organization, delivery and equitable distribution of health care services."

The national council will also advise the HEW secretary on policy and regulatory development/coordination of section 1122 of the Social Security Act and of P.L. 93-641.

Others appointed with Walsh include Gov. John D. Rockefeller VI (D-W.Va.); Tom Turner, AFL-CIO; Phillip Landrieu of New Orleans; Dr. Robert Elsner, Oregon State Medical Society; Richard Marting, Goodyear Tire Company; and Prof. Frank Royal, the University of Virginia.

PUBLIC WORKS BILLS

Early Action Likely

WASHINGTON, D.C.—Early action is expected on legislation to extend the local public works program. Rep. Robert Roe (D-N.J.) introduced H.R. 11, while Sen. Jennings Randolph (D-W.Va.) is also sponsoring legislation. Both houses have scheduled subcommittee hearings for early February at which NACo will testify.

Of concern to counties:

County Participation. Nationwide, counties received only 191 grants totaling $235 million. NACo finds this level unacceptable, based on the number of counties, their unemployment rates and the numbers of applications received. A survey of counties over 50,000 population with unemployment over 9 per cent shows only 25 out of 143 received grants. By all indications, these were the types of jurisdiction that should have been prime recipients. Each has unemployment at least 1½ per cent over the national average.

Funding. Both bills provide $4 billion for public works grants. The House is recommending the full amount for fiscal '77, while the Senate proposal is $2 billion for fiscal '77 and $2 billion for fiscal '78.

Grants. The House bill would continue 100 per cent grants. The Senate proposal would continue 100 per cent grants for fiscal '77, and 80 per cent federal grants, 20 per cent local share, in fiscal '78. Sponsors feel this would attract the highest priority projects and allow the money to go further. Consideration should be given to other options of emphasizing projects, and to communities unable to contribute the 20 per cent share.

Division of Funds. The 1976 program provided 70 per cent of the funds for areas of unemployment above the national average, and 30 per cent to areas with unemployment between 6.5 per cent and the national average. As a result, there was less competition for a guaranteed pool of funds by lower unemployment areas. The Senate bill would alter this by establishing an 85/15 per cent split within each state. Thus, it hopes to alleviate any unfair competitive advantages but still provide grants to lower unemployment areas.

Special Districts. Special districts were treated as general purpose units of government and were awarded the crucial 5 per cent bonus. Because so many applications were closely ranked, this bonus was often the determining factor in a projects ranking. In the final analysis, school districts received 241 grants over $317 million, exceeding the county total. Committee hearings will address the definition of general purpose unit of local government and eligibility for the 5 per cent bonus. NACo does not define school districts as general purpose local governments.

Project Selection Area. Current procedure permitted wide discretion by applicants in defining project area, and state certification and screening procedures varied greatly. As a result, small communities and special districts were often able to benefit by using county wide unemployment data.

Applications. EDA received over 25,000 applications for grants. Although not contained within either measure, a "freeze" on applications has been discussed. If adopted, EDA would not accept any new applications, but would concentrate on those communities that unsuccessfully applied in the initial round.

Unemployment Data. There were numerous inconsistencies and problems using Bureau of Labor Standards unemployment data, and some communities were hurt by seasonal factors. It has been suggested that EDA use annual unemployment data.

The Senate bill also proposes to add a Title XI to EDA's regular programs. It would provide $1.5 billion for a Youth Community Improvement Program. Unemployed youth 16-19 would be eligible for jobs in community improvement projects.

Economic Stimulus Program Unveiled

WASHINGTON, D.C.—In testimony before the House Budget Committee on the 3rd budget resolution, Bert Lance, director, Office of Management and Budget; Charles Schultze, chairman, Council of Economic Advisors; and Michael Blumenthal, Secretary of the Treasury presented President Carter's economic stimulus program.

The Administration is proposing tax rebates on calendar year 1976 liabilities, of $50 for each taxpayer and each of the taxpayer's dependents, as well as a $50 payment for each earned income credit recipient. Together these measures total $9.6 billion in 1977. Further, the Administration proposes to provide cash payments, similar to tax rebates, of $50 to each social security recipient and each supplemental security income (SSI) recipient. The program also calls for substituting a single standard deduction (of $2,800) for the current minimum standard deduction and percentage standard deduction. Businesses would also be given the option of either an income tax credit against 4 per cent of their payroll taxes or a 2-percentage-point increase in their investment credit.

The stimulus program also would increase the number of public service jobs with outlays of $700 million in 1977 and $3.4 billion in 1978 above current program levels.

The President also proposes to add outlays of $300 million to 1977 and $1.6 billion in 1978 for training and youth programs under CETA.

The Administration also proposes the extension and expansion of countercyclical assistance to states and localities through 1978. About $1.2 billion is required above the previous Administration's request for 1978 merely to keep the program at the 1977 level. This includes an additional $500 million in outlays for 1977 and $600 million for 1978.

The proposed increase for the local public works program would call for an additional $2 billion in budget authority for both 1977 and 1978. Public works programs are slower in their effect on spending than direct cash payments or tax rebates. Reflecting this, outlays are expected to be increased by $200 million in 1977 and $2 billion in 1978.

Bert Lance, in discussing the public works program said: "For the current year, there are more than enough applications on hand to use up the proposed budget authority. No new applications would be needed or requested."

BUDGET EFFECT OF THE ECONOMIC STIMULUS PROPOSAL
(in billions of dollars)

	1977	1978
Rebate and social security payments:		
$50 per capita rebate	9.6	—
Refunds of tax liability	(8.2)	(—)
Refunds in excess of tax liability	(1.4)[1]	(—)
$50 payment to social security and SSI recipients	1.8	—
Change in standard deduction	1.5	5.5
Business tax credit option	0.9	2.7
Increased countercyclical revenue sharing	0.5	0.6
Public works	0.2	2.0
Public service employment	0.7	3.4[2]
Expanded training and youth programs	0.3	1.6
Total stimulus package (reduced receipts plus increased outlays)	15.5	15.7

[1]Based on current budget procedures, this amount would be reflected in increased outlays rather than reduced receipts.

[2]This figure represents the amount necessary to move above the current program level of 310,000 jobs. Because the Ford budget assumed a reduction in this program in 1978, $1.1 billion will be required above the Ford budget request to restore the program to current levels.

$1.4 Billion Transit Bill Proposed

Continued from page 1

5 funds that provide localities the optional use of funds for operating or capital purposes.

The proposed legislation would provide a new discretionary fund of $250 million for the 1978 through 1980 period for supplements to section 5 operating subsidies. These funds would be provided for "special impact problems and service innovations." The provision would increase operating funds without regard to the current formula which has been criticized for inequities to areas with particularly high transit ridership, as compared with population. The formula is based on population and density. Williams said the discretionary operating funds would also help maintain essential commuter rail service affected by the recent rail reorganization in the northeast.

NACo's steering committee recommended that funds unobligated after two years be reapportioned as a means of dealing with serious problems resulting from the current formula. This provision is included in the Williams bill and is similar to a provision in highway law.

The bill includes amendments to transit law which passed the Senate in 1975 but which were not reported out of the House Public Works Committee in time for final passage before the end of the last session. One of these provisions would permit use of an existing $500 million in capital grant authority for non-urban areas to be used for operating purposes as well. NACo strongly supported passage of this provision.

The Williams bill would require that all new vehicles, stations, or buildings for new or extended rapid rail systems or vehicles integrated with rail systems be accessible to the wheel-chair bound as well as elderly and other handicapped persons. It would also require "mobility" for handicapped and elderly persons in each urban area requesting a grant or loan under the program.

NACo has strongly urged local flexibility to determine the most appropriate operational means to provide mobility for all. It appears that the Williams bill provides needed flexibility. Controversy over an amendment to last year's legislation in the House Public Works Committee delayed action on the bill there. The amendment, offered by Rep. Robert Roe (D-N.J.), would have mandated complete accessibility on all new transit vehicles for the wheelchair-bound soon after passage.

Hearings on the Williams bill are scheduled for Feb. 23-25. NACo will testify.

Carter's Man for the Counties

by Neal R. Peirce

WASHINGTON, D.C.—The surest clue to how seriously President Carter will take federal relations with the nation's states and cities is provided by the fascinating dual role he has carved out for Jack H. Watson—both as Secretary to the Cabinet and Assistant to the President for Intergovernmental Relations.

Carter's hope, Watson said in response to a question I posed on NBC's Meet the Press, is "that by naming someone on his staff who is literally at his elbow in the first circle of White House advisers," he can open up the channel of communications with the governors, mayors and county officials in "two ways—from the President out and from them in."

Not since the Eisenhower Administration has a staff official as close to a President as Watson been given the White House intergovernmental relations job.

Since he will also be Cabinet Secretary—under a President whose avowed intent is to run the government chiefly through the Cabinet—Watson believes he'll be in an especially good position to relay what he learns from governors and local officials directly to the heads of the Cabinet departments "where the problems have to be solved."

It would, however, be an error to exaggerate Watson's role or to pretend that the whole range of intergovernmental problems can be solved by better communications alone. Watson's staff will be of limited size—eight or 10 persons—and he may be hard-pressed to devote sufficient time to both his Cabinet Secretary and state-local liaison jobs. Specific legislative programs directed at urban problems will fall under the White House policy development staff headed by Stuart Eizenstat.

The "gut" question of successful federal-state-local relations finally boils down to one of management of the vast amount of federal aid—some $60 billion annually—that flows to states and localities. The Office of Management and Budget (OMB) has been widely accused of ignoring the "management" part of its mandate, failing to implement a number of laws and regulations designed to cut down on the fearsome red tape and confusion that surrounds federal grants.

Here, too, there are real grounds for fresh hope. The new OMB director, Bert Lance, is not only close to Carter but was Commissioner of Georgia's Department of Transportation, where he suffered some of the headaches of dealing with the federal behemoth. James McIntyre, a chief deputy in the new OMB, was Georgia's director of planning and budgeting. He is a strong advocate of a fundamental reform favored by Carter—advance funding of federal grant programs, so that states and cities can avoid some of the uncertainty and messy management resulting from unpredictable flows of federal aid.

Watson—himself former board chairman of Georgia's mammoth Department of Human Resources—can help to keep the communications channels open and survey the full spectrum of federal-state-local relations. But he is the first to admit that the final policy implementation has to rest with OMB and the federal line departments.

For the states, cities and counties, the most significant figure of the new Administration must be none other

County Opinion

than Jimmy Carter himself.

Carter is the first President since Franklin Roosevelt who served as a governor. More important, he's the first ex-governor to enter the White House since development of the present entangled and enmeshed set of federal programs that depend so heavily on the state and local governments for their implementation.

In my contacts with Carter over the past six years, I have found no official more aware that if federal relations with the states and cities can't be managed well, then neither the federal government nor the lower units of government can be truly productive and efficient.

In the excitement of the election season, it was easy to forget that Jimmy Carter's outstanding attribute is as a tough, plan- and goal-oriented executive, personally fascinated by detailed questions of governmental management. But at some point we owed ourselves as a nation an experiment with a modern-day, efficiency- and management-oriented President.

As governor, Carter's approach to any problem was to listen to the widest range of opinions possible. In the transition period, he operated in the same way, granting extensive audiences to groups of governors, mayors and county officials, leading all to believe he was aware of and sympathetic to their problems and sometimes contradictory proposals. Prince George's County, Md. Councilman Frank Francois emerged from one of those meetings exulting, "We have our first intergovernmental President."

But after hearing all viewpoints as governor, Lance told me, Carter exhibited a rare capacity to assimilate all he had heard in his mind, placing it in order of priority and then emerging with a broad-scaled, comprehensive plan—which he would be immensely stubborn and tenacious in trying to implement.

With problems of foreign, economic and energy policy competing for his time, the question is whether Carter will now be able to apply that same method for bringing order out of the mishmash of overlapping federal programs—many the result of congressional action—that relate to states, counties and cities.

That may offend some parties—quite possibly Carter's former colleagues among the governors, because he believes scarce federal aid dollars should be targeted to areas of real need, including the worst-off inner cities.

The range of problems is awesome: from reorganizing aid-dispensing federal agencies to reshaping federal highway, housing and tax policies that have helped to cripple many of our older cities. Solutions will require consulting in advance with governors and mayors on federal regulations and reducing the red tape and mountains of paperwork that hamper efficient government at all levels and identifying federal aid patterns that stimulate private economic investment—a key Carter theme.

According to Montgomery County, Tenn. Judge Bill Beach, Carter told a group of NACo officers in December that "he was going to reorganize the bureaucracy and get workable uniformity. He said this was not idle talk . . . that he would do it or die trying."

Eventually a President may have to get very tough about built-in inefficiencies, including fragmented local units of government. "Federal tax funds should not finance local waste," Carter told a group of mayors last summer.

Fuzziness, platitudes, inadequate follow-through have characterized recent Presidents' treatment of the intergovernmental structure. There has been no clear presidential vision of how the system might work better.

It will be a heady task for Carter to change all this, and some disappointments are inevitable. But if I judge the man's character correctly, the attempt will be made. It should be an exciting four years.

John Cavanaugh Sr.

Elsewhere in this newspaper you will see a photograph of a happy occasion. A proud mother and father are looking at their son who is about to be sworn in as one of the youngest members of the House of Representatives.

The congressman is John J. Cavanaugh Jr. and his parents, Mr. and Mrs. John J. Cavanaugh Sr. That occasion was on Thursday, Jan. 4, and less than three weeks later John Cavanaugh Sr. was dead.

John Sr. was known to many of us. He was one of the outstanding county commissioners of Douglas County, Omaha, Neb. and served that commission for 18 years. He had also been a member of the NACo Board of Directors.

His colleague and close friend was our president, Commissioner Dan Lynch.

It seems particularly tragic that a man dies at the age of 55, right at the time when his son is launching, what promises to be, a very exciting career in the House. Another irony is that the son holds a seat that, by narrow vote, was denied in an earlier election to the father.

In the sad loss of a good friend of county government, we can take pride in the fact that John Sr. did live to see the formal launching of his son on the national political scene.

A Warm Inaugural

We have all been enthused by the spirit of the inaugural and the festivities associated with it. The media is to be applauded for enabling the spirit to be shared with all of you throughout the country. But especially for us here in Washington, preinaugural "events"—in addition to inaugural ceremonies themselves—have been exciting. Our officers joined in an important event—meeting with Mr. Carter in December. We met with Cabinet-designates, attended confirmation hearings, and assisted various members of the transition team.

Right now the spotlight is on Washington, but it shouldn't stay there for long. Focus should be aimed at local government and local elected officials because they are the most direct providers of government services—the implementors of federal programs. To most Americans, government is local government; the officials people know are local government officials.

We think the new President will know more about county government and the vital role it plays in our federal system. We look forward to working closely with President Carter, his Administration and members of Congress, and hope that the fresh warm spirit of the inaugural is just a beginning.

Letters To NACo

Dear Bernie:

In the closing days of my tenure as Vice President, I wanted to express my appreciation and gratitude to you for your invaluable assistance.

We have worked together on various projects during these two critical years in our nation's history, and while not always successful, we have made some progress toward the betterment of our country. I have especially appreciated you sharing your views with me in an open and frank manner.

With best wishes and thanks.

—Nelson A. Rockefeller
Vice President

Dear Bernie:

Just a note to congratulate you on the recent issue of *County News* in which the recent meeting with President Carter was summarized.

I also feel very encouraged by Mr. Carter's responses and hope it will not be too long before we will begin to see some positive actions.

—Theodore G. Venetoulis
Baltimore county executive

Dear Bernie:

I meant to write you sometime ago but got sidetracked. I was resting in a hospital recovering from surgery and had time to think. I felt like the biblical nine lepers who were healed and didn't even bother to turn around and say "thank you."

We do want to thank you and your staff for the time and effort put into the payments-in-lieu bill. I have been pushing that for 19 years and at times it was like a joke because no one thought we had any chance at all. Organization, work and bull-headedness have paid off in the final result. This could never have been done without a national organization.

We are an agricultural county and this will mean a lot to our taxpayers. With farm prices so far out of reason right now, this is a good time to get a break like this. Be assured that we recognize what a good representative we have in Jim Evans in Western Region District. It has been a pleasure to work with a man like him.

Once again, "thanks," and don't untie your gloves till we get the appropriation!

—Colen H. Sweeten Jr.
Clerk of District Court and ex-officio auditor
Oneida County, Idaho

Counties, the Congress, & the New Administration

In the weeks leading up to NACo's Legislative Conference (March 21-23, Washington, D.C.), *County News* will present a series of background articles on county government's top priorities for 1977.

These articles are designed to brief county officials on the current legislative status of key issues and familiarize readers with NACo's position on these issues.

This week's focus is on health and payments-in-lieu funding.

Payments-In-Lieu of Taxes

NACo hails the Payments-in-Lieu of Taxes Act as the "Good Neighbor Legislation of 1976." Through this act, the federal government finally recognizes the local government burden caused by the tax immunity of federally owned, tax exempt natural resource lands.

BACKGROUND

The 94th Congress approved the legislation by a two-thirds vote in the House and a unanimous vote in the Senate.

The act authorizes minimum payments to counties and other local governments to partially compensate them for the tax immunity of natural resource lands. These lands include: national forests, national parks, wilderness areas, Bureau of Land Management lands, and water resource lands such as Army Corps of Engineers and Bureau of Reclamation projects.

Payments will be based on the amount of acreage within a county and limited by a per capita population factor. A county will receive the greater amount of either a) 75 cents per acre of entitlement lands less current timber, mineral or grazing payments, or b) 10 cents per acre in addition to current payments. These payments would be limited to $50 per capita for counties under 5,000 population with a sliding scale to $20 per capita at 50,000 population. These payments will go directly to local governments and can be used for any local government purpose. They are not restricted to schools and roads. More than 1,000 counties in 49 states will receive payments.

An additional payment of one per cent of market value would be made for five years for parks and wilderness areas purchased by the federal government since 1971. This payment would recognize the sudden tax loss when the lands are taken off the tax rolls.

MAJOR ISSUE

A supplemental appropriation will be required to fully fund the payments-in-lieu of taxes act during fiscal '77.

NACo POSITION

NACo supports the formula in the payments-in-lieu of taxes act as equitable and easy to administer. NACo calls for approval of a supplemental appropriation of $115 million to fully implement the act this fiscal year. In addition, a regular appropriation will be required for fiscal '78.

Payments-in-lieu legislation implements one of the high priority recommendations to Congress by the Public Land Law Review Commission who found that counties must still finance full local government services countywide, such as law enforcement, road maintenance, health, etc., despite a restricted tax base.

The cost estimate of $115 million annually for this legislation falls well within the overall funds that derive from the federal leases on the natural resource lands. Leases for timber, grazing, minerals, etc. are estimated at more than $750 million annually. The cost is also considerably less than property tax equivalency if the lands were not tax exempt.

Health Care

The new Administration and the 95th Congress agree that the first step towards a comprehensive health program is controlling skyrocketting health costs.

Approximately 20 health laws, including the Health Planning Act, will expire Sept. 30. Congress is expected to extend these bills for one year to give the Carter Administration time to determine its own health care policies. Below is a breakdown of four key health issues.

National Health Insurance

The 94th Congress did not act on national health insurance (NHI) partially because of concern over its fiscal impact on the nation's economy. Most observers predict no action will be taken this year.

MAJOR ISSUES

Inflation (including hospital and doctor fees which rose after cost controls were lifted in 1974) has pushed up the costs of health programs.

Medicaid and Medicare increased 25 and 30 per cent, respectively, in fiscal '75. Both programs are increasing $5 billion a year, and many states are cutting back services under Medicaid because of these costs. County governments must provide those services that states have cut.

NACo POSITION

NACo calls for the enactment of a single, universal comprehensive national health insurance program on an incremental basis over the next four years. NACo advocates, as a first step, the federalization of Medicaid.

National health insurance should include: compulsory coverage to all people through one system; community-wide preventive health care, as well as institutionalized treatment of illness; comprehensive benefits and services; effective cost controls and quality assurance mechanisms; a financing method at a level responsive to health care needs; incentives to improve facilities, multiply types of services and encourage expanded roles for nurses and other professionals; no arbitrary limit on the quantity of services; and an integral role for counties and other local governments in program implementation.

Medicaid Reform

MAJOR ISSUES

Medicare and Medicaid costs will double in the next five years. Federal spending alone will grow 30 to 40 per cent by 1982. The federal share of Medicaid in fiscal '78 is estimated at $12 billion, an increase of $1.5 billion over 1977. States and counties will finance another $10 billion. This rapid escalation of health care costs means that counties, the providers of last resort, must allocate an increasingly large proportion of their scarce property tax dollars to health care.

NACo POSITION

Counties cannot, by themselves, be expected to control costs. And since they are left to pick up the tab for citizens not covered by state or federal programs or private insurance, NACo urges the enactment of Medicaid reform legislation containing the following provisions:

Financing

- Federalization of Medicaid on an incremental basis over the next three years;
- Federal financial participation at 75 per cent for mandated services in the first year, 85 per cent in the second and 100 per cent in the third;
- As a major interim target, federal assumption of financial responsibility for all Medicaid costs of the disabled, blind and eligible persons over age 65.

Eligibility

- Complete overhaul of the eligibility process to standardize and simplify it.

Administration

- Flexibility in determining what level of government would administer Medicaid. (It must be a state/local decision, but the bill should mandate a single state agency to administer the program.)

Extent and Quality of Services

- Elimination of service gaps in Medicaid;
- Inclusion of services not addressed by existing public or private insurance programs for alcoholism, drug abuse, mental health, emergency care, and preventive and health promotional services;
- Incentives for providing the least expensive quality care (using para-professionals, physician extenders, nurse practitioners, etc.);
- Reimbursement of costs for care to specialty cases such as illegal aliens, working poor, disabled but working persons, prisoners, migrants, transients and others.

Health Planning

The National Health and Resource Planning and Development Act of 1974 consolidated and revised several health planning programs and established a national network of areawide health systems agencies (HSAs) and state health planning and development agencies (SHPDAs).

It has two overall objectives: to control health care costs and to redress the uneven distribution and quality of health care.

NACo POSITION

NACo's principal concern is that private, non-profit health planning agencies affecting the health care of areas are not directly accountable to citizens for their decisions. County officials must answer to the public for decisions made by these quasi-governmental agencies.

The effectiveness and accountability of a health system agency depends on the composition of its governing body. NACo stresses strong involvement by local elected officials in health planning. Local governments with substantial health involvement should directly appoint one-third of the private, non-profit HSA board members. Local governments should be granted proportionate representation throughout the health service area.

NACo supports provisions to require HSAs in rural areas and large urban counties to establish and staff sub-area councils which address the concerns of those areas.

Preventive Health

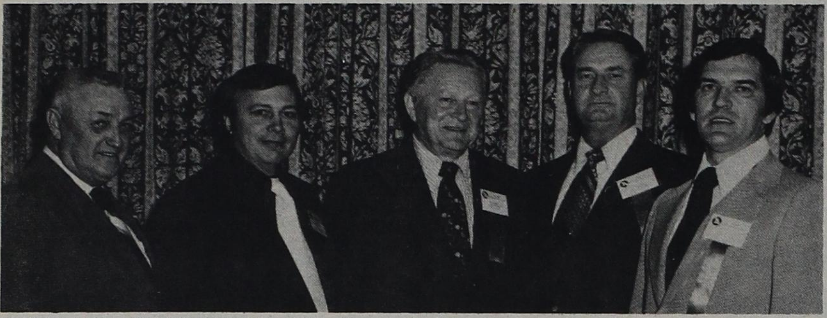
Current federal health programs do not adequately address preventive health care. National health insurance proposals under consideration are concerned solely with "hands-on" care—those services provided to individuals.

NACo POSITION

NACo urges the enactment of legislation establishing a shared federal/state/local funding responsibility for public health protection and preventive programs. This legislation should give state and local health agencies greater flexibility to determine funding priorities.

This proposal would complement national health insurance. A national health insurance plan would finance personal health services; the health cost sharing proposal would finance public or community-wide concerns related to disease control, health hazards and preventive health services that affect all citizens or particular segments of the population. Furthermore, this proposal would allow states and local governments to set their own priorities within a "defined universe" of services.

State Associations Elect Officers



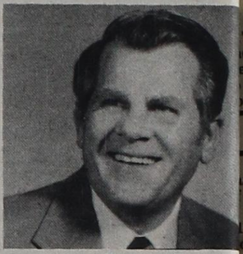
MISSOURI ELECTS OFFICERS—The 1977 officers of the Missouri Association ofCounties were elected during the group's Fifth Annual Convention held Dec. 1-3 in Cole County, Mo. Officers, from left, are: Treasurer Jesse Essmyer, Washington County presiding judge; Third Vice President H. Weldon Macke, Cape Girardeau County auditor; First Vice President Hugh McCane, Franklin County presiding judge; President Billie Davidson, Grundy County presiding judge; and SecondVice President Jim Hill, Reynolds County clerk.

Maryland

BALTIMORE, Md.—At its recent annual meeting held here, the Maryland Association of Counties elected the following persons to serve as officers and directors in 1977:

Officers elected are: president, Leonard W. Dayton, president, Board of County Commissioners of Dorchester County; first vice president, Francis B. Francois, councilman, Prince George's County; second vice president, William Donald Schaefer, mayor, Baltimore City; secretary, Wayne B. Hamilton, commissioner, Garrett County; treasurer, Edward L. Cochran, county executive, Howard County.

Directors elected are: Ann C. Stockett, councilwoman, Anne Arundel County; Theodore G. Venetoulis, county executive,



Dayton

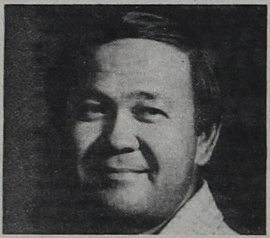
Baltimore County; Mary A. Mal ey, president, Board of Coun Commissioners of Cecil Coun Raymond T. Tilghman, preside Board of County Commissioners Charles County; Lawrence A. D sey, president, Board of Coun Commissioners of Frederick Coun Dickran Y. Hovsepian, councilm Montgomery County; Juli Grollman, commissioner, Queen ne's County; Burton R. Hoffm commissioner, Washington Coun Albert J. Bailey, preside Wicomico County Council; Mark Pilchard, president, Board of Coun Commissioners of Worcester Co ty.

During Dayton's six years public office, he has been active the affairs of the association, se ving as chairman of the grou Legislative Committee in 1976 a as a director of the association the past several years.

Hawaii

KAUAI COUNTY, Hawaii—Burt K. Tuschiya, Kauai County councilman, was elected 1977 president of the Hawaii State Association of Counties (HSAC) during the annual meeting and conference held Dec. 8-10 at Kauai Resort Hotel in Lihue.

Other officers include: Vice President Louie Gonsalves, Kauai County council chairman; Vice President George Akahane, councilman from the city and county of Honolulu; Vice President Abraham Aiona, Maui County councilman; Vice President Tom Fujii, Hawaii County councilman; Secretary JoAnn Yukimura, Kauai County councilwoman; and Treasurer Jerome Hew, Kauai County councilman.



Tuschiya

Guest speakers included Gov. George Ariyoshi and Myron Thompson, chairman of the State Government Organization Commission. Gov. Ariyoshi, who gave the keynote address on the state of the state's economy, urged prudence in spending tax dollars.

Councilman Goto Hokama, HSAC retiring president, called for a concerted effort by the counties to lobby the state legislature for favorable laws on real property taxes and land use and for meaningful participation in the coming constitutional convention.

HSAC's first executive director, Ron Bennett, announced his retirement. Bennett, who served the association on a voluntary basis for 15 years while also a Honolulu City-County Council staffer, lent encouragement to county officials leading efforts to establish the state association organization in 1959. A successor has not been named.

—Margaret I. Taylor
State association liaison

Arizona

PIMA COUNTY, Ariz.—Pima County Treasurer James Lee Kirk has been elected president of the Arizona Association of Counties (AACo) during the 10th annual conference held last month in Tucson.

Other new officers elected during the meeting were First Vice President Elizabeth "Liz" Tea, Greenlee County recorder; Second Vice President Adolph Trujillo, Gila County supervisor; and Secretary-Treasurer Mary Jane Weinke, Mohave County superior court clerk.

AACo's new "Handbook for Elected County Officials" was distributed to both old and new officials since the handbook is the first such publication designed specifically for Arizona county officials.

The three-part handbook provides information on how to survive as an elected official. Information is included on public relations, decision-making, staff utilization, legal responsibilities and duties. The book also describes intergovernmental relations and gives a general outline of county government services and organization.

The executive board reviewed AACo's 1977 legislative program, reaffirming its position to oppose the implementation of Medicaid. The board also stressed continued need for flexibility for counties in the form of some type of optional county home rule. The legislative program will be reviewed after counties elect delegates to the board.

Richard W. Casey is AACo executive director.

NEW OFFICERS—The 1977 officers of the Arizona Association of Cou ties (AACo) were installed by Arizona State Supreme Court Chief Justi James Duke Cameron, left. Officers are, from left: First Vice Preside Elizabeth Tea, President James L. Kirk, and Second Vice President Adol Trujillo. Shown at right is Tio A. Tachias, 1976 president. Secreta Treasurer Mary Jane Wienke, Mohave county clerk of Superior Court, wa unable to attend.

Study Sees County as Region

Counties should become the "building block" for regional planning outside multi-county metropolitan areas. So recommends the subcommittee on regional planning of the Assembly Committee on Municipalities for the state of Wisconsin, which presented its findings in a November 1976 study entitled "Reevaluating Regionalism." The subcommittee based most of its subsequent recommendations on the assumption of a pivotal role for counties in Wisconsin regionalism.

While concluding that planning requirements should vary in the state depending on the degree of urbanization in an area, the subcommittee found that areawide planning was most appropriately conducted on a county government level. This is because the county can play a dual role of representing "local" government to the citizenry, while usually being large enough to deal with problems that towns and villages cannot handle. County officials are directly answerable to the voters, in contrast to the governing boards of regional planning commissions or special purpose districts. Although regional planning commissions are found to be effective planning bodies in some parts of Wisconsin, they tend to be removed from the public. Consequently, they are not as efficient as counties, which are empowered to implement plans, but are responsible to the electorate as a general purpose unit of government.

The subcommittee recommends that counties take the lead in areawide planning. Indeed, the group advocates a stronger, more autonomous role for counties and their planning powers.

The subcommittee proposes that the county be charged with determining its own planning activities. It could be empowered to do so through flexible state legislation that would allow counties to pursue a wide range of structural and functional alternatives for solving regional problems. These could entail continued cooperation with a regional commission; a "declaration of independence," whereby a county might choose not to be affiliated with any formal type of regional agency, but instead create its own county planning commission; or a commitment to an interjurisdictional planning body that would coordinate the activities of several counties, towns, and cities in a mutually agreeable planning effort.

The subcommittee concluded that states should allow counties to decide the breadth and nature of their participation in "physical, social and economic planning." States should not institute a strict and inflexible "master plan" of any sort, such as an umbrella functional planning agency. Rather, various planning agencies in a region could coordinate their tasks by "joint commission memberships," said the report.

While adhering to the philosophy that county government is the appropriate level for areawide planning in most parts of Wisconsin, a slightly altered arrangement was suggested for counties in multi-county metropolitan areas. These urbanized regions would best be served by a single areawide planning agency. However, the member counties could still select the specific type of multi-county agency, ranging from the establishment of an "intergovernmental council" or continued participation in a Regional Planning Committee, to the institution of a new kind of mutually agreed-upon planning body. Representation on the governing boards of major regional organizations was suggested to be on a one person-one vote weighted population basis. However, the report did not define the meaning of "major."

To ensure that all planning agencies be held accountable to the public, the subcommittee recommends that all planning agencies hold yearly public hearings on their work program to give the public a part in negotiating priorities. It was also recommended that the state, specifically Wisconsin, provide supportive funds (matched to local contributions up to a legislatively determined limit) to all regional planning agencies. These funds would be distributed on a "sliding scale" with less affluent, more sparsely populated counties receiving the greater amounts.

County Working to Escape 'Merit Trap'

by William Raspberry

The major focus has been, and should be, on the fact that Prince George's County, Md. has a long way to go before equal employment opportunity is a fact.

Commentary

The county's own figures show that while blacks constitute a fourth of the population, they hold less than 5 per cent of the jobs that pay $17,000 a year or better. White women do even worse than blacks.

But something else is going on in the county which, in the long run, may prove to be of greater significance. Prince George's personnel managers are working their way, albeit slowly and tentatively, out of what I have called the "merit trap."

The merit trap is the logical snare that leads you to believe that if some of a thing is good, even vital, then more of it must be better.

Sometimes it is—as in the case of typing tests for typists, or time trials for sprinters, or spelling tests for proofreaders. Often it isn't—as in the case of nearly all the entrance exams and screening tests and tests of general aptitude.

It may be easier to understand if I tell you what Prince George's is doing. Donald Weinberg, county personnel chief, says a look at the test for prospective firefighters showed two things: that it wasn't a very good predictor of success in firefighter training and that it tended to screen out a far greater percentage of blacks than of whites. That is significant in light of the fact that only about seven or eight of the county's 400 firefighters are black.

Weinberg said there seemed to be some indication that applicants who scored below a certain point tend not to do well in training. But for those who score above that point, the relative scores are virtually meaningless.

So what Weinberg has done, with the blessing of County Executive Winfield Kelly, is to begin using the test only to produce a list of eligibles—those who score above the cutoff. Once he has that eligible list, he throws away the test results and makes his selections on a purely random basis.

That's it. Pass-fail, followed by random selection. It's such a simple thing that it's hard to conceive of it as the breakthrough it in fact is. For what Weinberg has done has implications for nearly every kind of screening test.

It's easier to see in some cases than for others. It's clear, for instance, that a working knowledge of the English language, written or spoken, might be a reasonable requirement for work as a police officer. Therefore, a screening test for police applicants might properly include a language-usage section.

But suppose the applicants include four people with masters degrees in English who get all the language-usage answers right. Are these four going to make better cops than those who got just the minimum number of right answers?

Maybe they will; maybe they won't. You simply cannot answer the question based on their language-usage scores.

The same reasoning can be applied to college admissions, where affirmative action programs are running head-on into charges of "reverse discrimination."

Take the Law School Admission Test. It may be possible to establish a cutoff point below which applicants would be predicted not to succeed in law school But it does not follow that you can rank those who score above the cutoff on the basis of their relative scores. Once the LSAT has given you a list of eligibles, it has served its function.

This is an extremely difficult notion to sell, given America's emotional commitment to "merit." Items of scarcity, whether jobs, training opportunities or university seats, ought to go to the "best qualified," we tell ourselves as a matter of faith. And in the case of written examinations, the "best qualified" are those who make the highest scores, right?

Not necessarily, not if the test seeks general competency and trainability, rather than such specifics as fleetness of foot, typing speed or spelling ability. If the question is whether the applicant has enough of whatever the test is seeking to join a pool of eligibles, then the answer is yes or no, pass or fail.

Those who pass are, for purposes of selection, equally meritorious, and Weinberg's random selection, by lottery or whatever, becomes not only a fair way of doing things, but it also introduces some new possibilities for affirmative action.

One breakthrough doesn't make a millennium, of course. After all, Weinberg's pass-fail experiment is limited so far to the fire department only. In addition, pass-fail is not a cure for a test of inadequate predictive validity.

But it does suggest a way to deal with some of the problems of special admissions, affirmative action, and reverse discrimination.

Nor is it the only thing that is going on in Prince George's. County Executive Kelly apparently has decided that he wants to move his county toward fair employment, and he understands that in order to do that, he will have to persuade blacks and women that they do have a future in county government.

That means he'll have to come up not just with clever programs, but with results. It will be interesting to see what happens in the next couple of years.

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NEW FRESHMAN—Congressman John Cavanaugh, center, from Omaha, Neb., was sworn in on Jan. 4. On that happy occasion, he was joined by Bernie Hillenbrand, NACo executive director, left, and his parents, Mr. and Mrs. John Cavanaugh Sr. Since then, the Cavanaugh family has experienced the loss of John Sr., who died this month. He was a former Douglas County, Neb. commissioner and good friend of President Dan Lynch from Douglas County. (See editorial on page 4.)

Carter Smiles on Job Funds

Continued from page 1.

categorical programs under Title III authority.

According to the President's economic stimulation proposal, public jobs would be increased from 310,000 to 600,000 during fiscal '77 and to 725,000 in fiscal '78. This year, counties can expect the increase about the middle of March. Title II programs, keyed to areas with more than 6.5 per cent unemployment, will rise from a total of 50,000 to 100,000 jobs.

Title VI will also nearly double—from 260,000 to 500,000 jobs. Any new jobs in Title VI, above the June 30, 1976 level, must be in community projects that will last no more than one year. Individuals must meet new low income and long term unemployment eligibility criteria.

Less certain is the possibility of a labor department request for special, categorical training programs. Nevertheless, labor department sources cite the following specific possibilities:

- A two-year, Title III youth program funded at $1 billion ($450 million in fiscal '77 and $550 million in fiscal '78) to create a Youth Conservation Corps and targeted youth program. Prime sponsors would submit competitive bids for these programs rather than receive a formula allocation.
- A two-year, Title III Skill Training Improvement Program (STIP) funded at $500 million ($250 million each for fiscal '77 and '78). The program is designed for high skill, longer term training through prime sponsors, by competitive allocation (no formula distribution and no specific target groups).
- A two-year, Industry Training Program similar to HIRE. In this program, the President would solicit job commitments from big business in return for a small subsidy. This program is to be funded at $240 million ($120 in fiscal '77 and '78) out of Title I discretionary funds and would not be run through prime sponsors.
- Increased funding for migrants and farmworkers by $15 million.
- Increased funding for veteran's programs by $15 million.
- Increased funding for native Americans by $15 million.
- A doubling of the Job Corps, funded for fiscal '77 at $197 million with spending expected at about $206 million.
- Apprenticeship programs will be increased $20 million in fiscal '77 with a projected $40 million in fiscal '78.

NACo feels it is important to remember that these requests will probably be part of an appropriations request and need congressional action.

SOLID WASTE REGS

NACo to Hold Meeting

WASHINGTON, D.C.—NACo invites county officials to attend a working meeting on Feb. 16 to assist in developing Environmental Protection Agency's regulations for the new solid waste law.

The meeting will be held at NACo headquarters, 1735 New York Ave., Washington, D.C. in the 5th floor conference room from 10-4 p.m. Chairman will be Neal Potter, chairman of the NACo solid waste subcommittee of the Environment and Energy Steering Committee.

Specifically, NACo will be soliciting views of county officials on the development of guidelines to implement state and local solid waste planning sections of the new law. Specific issues of concern for local governments in implementing the new solid waste bill were detailed in the Jan. 2nd issue of *County News* in the article, "Solid Waste/EPA Developing Guides."

Persons interested in attending this working session should contact Carol Shaskan or Tom Bulger at NACo, 202-785-9577, by Feb. 10.

Clerk's Corner

ADVISORY PANEL MEETING

The advisory panel of the Federal Election Commission's Clearinghouse on Election Administration met in Washington on Jan. 10-11 to discuss the clearinghouse's research program. The panel, whose members are state, county and city election officials, heard clearinghouse staff discuss six research contracts covering topics such as: election administration, voting equipment, voter registration, contested elections, certificaton of candidates, and bi-lingual registration and voting.

Information sheets on each of the research contracts, as well as a limited number of copies of the meeting minutes, are available from Dr. Gary Greenhalgh, Chief of the Clearinghouse, 1325 K Street, N.W., Washington, D.C. 20463.

CLERK'S DUTIES SPLIT

Arenac County, Mich. has returned to its former practice of separating offices of county clerk and recorder of deeds. For four years prior to the county board of supervisors' vote last summer, the two offices were consolidated into one, with Douglas Black serving as county clerk, a position he has held for over 27 years. Elected to the recently re-established office of register of deeds was Margaret Hasty, who was sworn in Jan. 1.

ILLINOIS ASSOCIATION

The president of the Illinois Association of County Clerks and Recorders for 1977 is Charles E. Williams, recorder of Adams County.

New Directions in Personnel

HIRING QUOTAS

Hiring quotas imposed by the New Jersey Division on Civil Rights have been found unconstitutional by the state supreme court. The ruling was a result of action taken by the New Jersey Civil Rights Division in response to a complaint from a minority applicant that the town of Montclair firefighters test was discriminatory. The division ordered the testing procedures to be revised and the hiring of one qualified minority applicant for every qualified white hired until there are at least 15 minority members. Similar action was also ordered for promotion of qualified blacks in the Montclair police department.

The state high court said in reversing the order, that fashioning a remedy on a class quota basis "piles discrimination on top of discrimination." In a 50-page dissenting opinion, one associate justice pointed out that quotas did not intrude on principles of fairness or reasonableness when they are limited in scope, duration and properly designed to a particular area and a limited end. He referred to the holding as "a formula for another generation of delay." (Charles S. Lige and Gilbert H. Francis, Director Division on Civil Rights, v. Town of Montclair, Mayor and Commissioners, (N.J. S. Ct.) No. A-107, 11-30-76.)

NONDISCRIMINATION REGULATIONS

The U.S. Department of Justice recently issued new regulations establishing standards for federal agencies in enforcing Title VI of the 1964 Civil Rights Act and related laws. The regulations will also require state agencies administering federally finance programs to develop similar compliance programs for themselves and local agencies receiving federal aid. Here is what the new regulation requires:

- Publish Title VI guidelines for each federal aid program, including examples of prohibited practices and remedial action required to explain why guidelines would not be appropriate.
- Require federal aid recipients to publicize the nondiscrimination provisions and to provide information to "significant" groups of non-English-speaking persons in their native language.
- Collect racial and ethnic statistics and other information essential to the enforcement of Title VI or explain why it would not be appropriate to do so.
- Determine whether a federal aid applicant is in compliance with Title VI before approving an assistance program.
- Establish an effective monitoring program to ensure continued compliance with Title VI.
- Establish and publish procedures for the prompt processing and disposition of complaints.
- Provide a sufficient staff to enforce Title VI.

SOCIAL SECURITY

Earlier this month New York City's Mayor Abraham Beame announced that the city has dropped its plan to withdraw municipal employes from the federal Social Security system. This ended what would have been the largest withdrawal from the program since its creation. The mayor said that his management advisory board recommended against pulling out because the cost of substitute pension and disability programs would offset any savings. The federal social security law requires two years notice of an intention to withdraw from the system.

Youth Legislation in 95th

Continued from page 3.

Aimed primarily at low-income and disadvantaged youths, this part of the bill would focus on remedial education, counseling, and development of basic work skills associated with private sector jobs.

Work Experience for In-School Youth is designed to provide job experience prior to secondary school completion without interrupting the educational program. CETA prime sponsors would enter into agreements with local education agencies, which would contract with public and private employers to provide part-time work specifically related to the education program of the secondary school student.

Participating employers would be paid for all training and recruitment costs incurred, but not for actual wages paid to students. Local education agencies would be supported for the administrative costs and the guidance, counseling and related components of operating the program.

Occupational Information and Career Counseling is designed to provide all the nation's youth and particularly work-bound high school, junior college, and out-of-school youths with job information, job counseling and job guidance necessary for making informed and intelligent career choices. CETA prime sponsors, under this program, would arrange with public and private non-profit agencies, the U.S. Employment Service, or local education agencies to provide services.

A national occupational information and carrer guidance service would be established within the labor department.

Title II of the bill would establish a National Conservation Corps to provide youths up to the age of 24 with work and training on projects in the national parks, national forests, or other public lands and waters. The existing Youth Conservation Corps would be retained, with its emphasis on providing summer work for teenagers, as part of the National Conservation Corps.

Title III would significantly expand the Job Corps by providing an additional $150 million yearly above the current funding level.

During the remainder of this fiscal year, the bill would provide about $200 million for the start-up costs of these programs. For fiscal '78, the authorization would be $2 billion for the CETA and Job Corps programs, plus the funds needed to provide 100,000 jobs in the National Conservation Corps. For succeeding fiscal years, the authorization level would be determined by a formula, based on the national unemployment rate, that would provide about $3.5 billion at 7 per cent unemployment and $4 billion at 8 per cent unemployment for the CETA and Job Corps programs, plus the funds needed to provide up to 300,000 jobs in the National Conservation Corps.

MEEDS

Rep. Lloyd Meeds (D-Wash.) who introduced H.R. 30 to establish a Young Adult Conservation Corps, is the primary proponent of this program. Because of a House rule that prohibits more than 25 members from co-sponsoring a bill, the same proposal has been submitted as H.R. 31 and H.R. 32. Its key provision, obviously, has been included in S. 170.

The purpose of this legislation is to complement the Youth Conservation Corps by adding a year-round program, the Young Adult Conservation Corps, to provide employment and other benefits to young adults, while reducing the inventory of conservation work and completing many other public nature projects.

Enrollment in the Young Adult Conservation Corps would be limited to 12 months, either in one continuous period or two or more periods that total 12 months. Compensation would be at the current federal minimum wage. Preference would be given to those individuals residing in counties with an unemployment rate equal to or in excess of 6 per cent for three consecutive months.

The legislation also extends the grant program for state projects to allow state and local participation in the development and preservation of non-federal public lands and water.

MATHIAS

Sen. Charles Mathias (R-Md.) introduced a comprehensive jobs bill (S. 1), the second title of which is devoted to the needs of young people.

Title II would establish a National Youth Service primarily for out-of-school youth. There would also be openings for young people who are in school part-time.

The jobs projects would involve productive work aimed at the visible improvement of the local communities where the young people reside. The Secretary of Labor would be authorized to enter into contracts with CETA prime sponsors, community-based organizations, and other groups with the capability of managing such work projects.

Jobs could extend for two years and would be limited to young people from families with an income less than the lower living standard budget. Provision would be made for inclusion of youthful offenders.

The bill also provides for job training in the private sector. It authorizes the Secretary of Labor to make payments to employers in the program who train youths in skills that will lead to permanent employment. A tax credit could be used to encourage employers to use this approach.

The Secretary of Labor is instructed to target these jobs so that funds would be distributed to support jobs that would otherwise not have been created. The proposed wage subsidy or employment tax credit would be limited to the hiring of individuals with characteristics not normally attrative to private employers and to firms which have increased employment above the normal trend.

This bill, too, expands the Youth Conservation Corps to employ 100,000 young people in its first year, 200,000 in the second year, and 300,000 in its third year. But the YCC would be a year-round employment program for youth ages 19-24 with individual jobs limited to 12 months.

Two youth employment and training programs under CETA would be expanded—the Job Corps under Title IV and the summer job program under Title III.

YOUNG/CRANSTON-KENNEDY

H.R. 20, introduced by Rep. Andrew Young (D-Ga.) before leaving for the United Nations, and S. 20, introduced by Sen. Alan Cranston (D-Calif.) and Sen. Edward Kennedy (D-Mass.) proposed the establishment of two new "youth initiatives" programs.

The National Youth Service Program is designed to provide assistance to state and local governments, public and private non-profit organizations for the employment of youth. The bill specifies that this program have the goal of providing at least 250,000 jobs for youth each year.

The Opportunities in Private Enterprise program is designed to provide assistance to profit business concerns for the provision of youth employment opportunities. This program would have the goal of creating at least 35,000 jobs for youth annually.

In addition, the bill would establish an Office of Youth Initiatives within the Executive Office of the President.

The bill does not designate an administrative mechanism but leaves that decision to the President. States and local jurisdictions of 250,000 population would appoint youth commissions to oversee the program in their areas.

REPUBLICAN LEADERSHIP

There is another major youth bill that has the support of the Republican leadership in the Senate.

This bill is probably the simplest as it relates to CETA. It creates a youth title within CETA (a new title VII, with the existing Title VII becoming Title VIII). Allowable activities include those in CETA section 101 (1-12) and private profit and non-profit sector activity.

Not less than 25 per cent of the youth served by each prime sponsor must be from low-income families. A 90/10 per cent split of formula and discretionary funds is mentioned with the formula weighted: 50 per cent relative numbers of unemployed; 25 per cent relative numbers of youth; and, 25 per cent relative numbers of youth in low-income families. There is a 20 per cent ceiling on administrative costs.

Perhaps the most interesting part of the bill is language allowing for prime sponsor flexibility in the use of administrative costs for Titles I, II, III, VI and VII. Simply stated there would be an administrative cost pool which prime sponsors could spend without specific title ceilings. These funds would only be tracked and charged against the pooled total.

Some of the secretary's 10 per cent discretionary dollars is targeted for the dissemination of program models and the reimbursement of travel and per-diem for prime to prime technical assistance.

How Much Do You Know about NACo?

Do you know how county officials, working through NACo, improve their management skills? . . . formulate national legislative policy? . . . share ideas on programs for the elderly? . . . work to improve labor-management relations? . . . obtain new federal grants?

If you don't know how, NACo wants to show you.

A special session on NACo activities and services will be held the opening day of NACo's 1977 Legislative Conference in Washington, D.C., March 21-23.

The session is designed for newly elected county officials, new members of NACo, or anyone who wants to know how counties work through their national association to strengthen local government.

Participants will be briefed on NACo's research efforts, its technical assistance programs, and its affiliate organizations. Conference delegates also will learn how NACo's steering committees formulate national legislative policy and how counties work with the federal government to implement this policy.

NACo offers counties a wide range of services. But the effectiveness of these services depends on the full participation of county officials across the nation.

Find out what NACo can do for you (and what you can do for NACo) at the 1977 Legislative Conference. See the conference registration and housing ad, page 2.

Washington Briefs

• **Payments-in-Lieu.** Ford's proposed budget includes $100 million for both fiscal '77 and '78 to provide full payments to counties.

• **Public Works.** H.R. 11 introduced by Rep. Robert Roe (D-N.J.) would authorize additional $4 billion in public works grants. House public works subcommittee on economic development has scheduled hearings this week. NACo to testify. Sen. Jennings Randolph (D-W.Va.) introduced S. 427 providing $4 billion in additional public works authorizations over two years. The bill also would decrease the federal contribution from 100 per cent to 80 per cent by fiscal '78 and alter the division of funds based on national unemployment. Also included is a $1.5 billion Youth Employment Program. See page 3.

• **Antirecession Aid.** President Carter and congressional leadership have agreed on a $1 billion extension of program. Current funds will run out by June 30, 1977. House Government Operations Committee expected to hold hearings soon.

• **Revenue Sharing.** Ford's budget requested full funding of program for remainder of fiscal '77 and '78. Regulations implementing new law are in draft form. Final regulations are expected in early March.

• **Public Service Employment (PSE).** Secretary of Labor Ray Marshall clarified President Carter's CETA-PSE jobs proposal in a letter to Sen. Harrison Williams (D-N.J.). Carter will ask for an increase to 600,000 jobs in fiscal '77 and to 725,000 jobs in fiscal '78 under CETA Titles II and VI. See page 1.

• **Comprehensive Employment and Training Act (CETA) Reenactment.** Rep. Augustus F. Hawkins (D-Calif.) may hold subcommittee hearings in early February on CETA reenactment.

• **Youth Employment.** Major youth employment legislation introduced: H.R. 20 by Rep. Andrew Young (D-Ga.); S. 20 by Sen. Alan Cranston (D-Calif.) and Sen. Edward Kennedy (D-Mass.); S. 170 by Sen. Hubert Humphrey (D-Minn.) and Sen. Jacob Javits (R-N.Y.); S. 1 by Charles Mathias (R-Md.). See page 3.

• **Water Pollution.** NACo will testify Jan. 31 before the Senate Public Works Committee on the fiscal '77 supplemental appropriation for the construction grant program of the Water Pollution Control Act. Sen. Edmund Muskie (D-Me.) has introduced legislation authorizing $5 billion each for fiscal '77 and '78. Ford requested only $400 million for the '77 supplemental appropriation.

• **Air Pollution.** Supreme Court has heard oral arguments on EPA's right to mandate that state and local governments enforce transportation control plans. The Senate Public Works Committee will be c sidering Clean Air Act amendme in early February.

• **Third Budget Resolution.** Ho and Senate to complete action mark-up on 3rd budget resolutio Feb. 2, with conference complete mid-February. This new resolutio needed to raise budget ceilings p to a jobs supplemental.

• **Carter Budget.** President ter's budget will be released bet Feb. 15 and March 1.

• **Medicaid Reform.** Sen. Her Talmadge (D-Ga.), chairman o Senate finance health subcommi introduced S. 143, a bill designe curb fraud and abuse in Medi and Medicare. In a cooperativ fort, Rep. Don Rostenkowski (D chairman of the House ways means health subcommittee, Rep. Paul Rogers (D-Fla.), chair of the House commerce health committee, together introduc similar bill, H.R. 3. Rogers Rostenkowski will hold j hearings and perhaps joint mar The bills are precursors to nat health insurance proposals.

• **Transit.** Sen. Harrison (P Williams (D-N.J.), chairman of urban affairs subcommittee, scheduled hearings Feb. 23, 24, 2 S. 208, his comprehensive $11.4 lion transit proposal. NACo will tify. See analysis of bill on page 1.

Aircraft Noise. On Jan. 19, P dent Ford sent Congress a pla finance quieter planes. It calls fo per cent ticket tax to finance ret or replacement of 1,600 noisy craft—about three quarters of nation's commercial jets. It w permit a comparable decrease in current tax which finances air development and which has bro in $1.5 billion more than Cong has authorized for grants. Fo proposal closely resembles NA recommendations.

• **Bridges.** Sen. John Heinz Pa.) introduced on Jan. 11 the Br Safety Act of 1977 (S. 161) w would increase funding for federal highway special bridge re and replacement program from current $180 million to $720 mi annually. Reps. James Oberstar Me.), Mike Blouin (D-Iowa), and Traxler (D-Mich.) are among s sors of bridge repair and replacem bills in the House.

• **Rural Public Transporta** Sens. Robert Stafford (R-Vt.) Patrick Leahy (D-Vt.) introduce 46 on Jan. 10. It would permit million in capital grant funds public transportation in non-u areas to be used for operating poses as well.

• **Appalachian Highways.** Clarence Miller (R-Ohio) introd H.R. 1595 on Jan. 10. It would mit eligible states to combine u Appalachian and non-Inters federal-aid highway funds to inc the federal share on Appalac corridors from 70 to 90 per cent.

NACo Box Score...Priority Issues

Welfare Reform	Carter to name special study task f
Employment	Carter proposes doubling of public j
Antirecession	Carter urging $1 billion extens
Health Insurance	Legislation may be delayed until 1
Payments-in-Lieu	Money included in proposed bud
Community Development	Full funding in proposed bud
Rural Development	Budget has no funds for most progr
Transportation	Major bill introduced on Jan
Water Pollution	Senate to hear fiscal '77 water appropriation, Jan
Air Pollution	Senate Public Works to hold hearings in early Febru
Land and Water Conservation	Full funding in proposed bud
Energy	Congressional reorganization to better handle iss
Criminal Justice	Budget proposes $50 million