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COUNTY NEWS

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

NACo

Vol. 11, No. 8 | Feb. 19, 1979 | Washington, D.C.

VOLUNTARY RESTRAINTS URGED

DOE Gears Up for Fuel Shortage

WASHINGTON, D.C.—As events in Iran grow more uncertain for U.S. interests, the Administration is acknowledging that the country could be in for fuel shortages and sharply rising energy prices. Department of Energy (DOE) Secretary James Schlesinger told the Senate Committee on Energy and Natural Resources last week that "the situation is serious," and that if Iranian oil production does not resume shortly, "we will not be able to build our (oil) inventories for next winter's season."

Furthermore, since it now appears that control of the oil fields "belongs to certain radical groups," Schlesinger is conceding that resumption of oil production may be delayed beyond a political settlement in Iran. "We must recognize the forces in control of the oilfields may not be responsive to guidance from Tehran," Schlesinger said.

The Administration has been attempting to gauge the potential effect of continued interruptions to Iranian petroleum shipments.

As a part of this assessment, DOE has been studying ways to increase production and use of domestic fuel sources, reduce demand for gasoline and other petroleum fuels, and allocate equitably the available supplies of fuel.

IRANIAN IMPORTS

Prior to the shutdown of its oilfields, Iran provided approximately 5 percent of America's crude oil supply. Since then, other oil exporting countries have produced more oil than usual, easing somewhat the impact of the shutdown. But eventually there will be an estimated shortfall of approximately 500,000 barrels of oil a day in the United States.

To make up this deficit, many domestic refiners are beginning to draw upon their inventories of crude oil. However, continued drawing down of these stores could result in spot shortages of oil fuels and/or price increases by spring or early summer. Although oil is available on the world market, many domestic refiners are reluctant to pay the significantly higher prices necessary to obtain it.

LET THE MARKET WORK FIRST

DOE spokesmen stress that the department will give the market a chance to balance supply and demand and to allocate available fuel supplies before intervening directly. For example, DOE is encouraging users of fuel oil to switch to propane, natural gas, or other alternative fuels and is considering ways of altering its regulatory authority to make such switching easier. Only if short supplies work disproportionate hardship on certain groups or regions will the government become directly involved in supply allocations.

DOE is also considering other strategies. For example, oil targeted for the Strategic Petroleum Reserve might be diverted to areas of the country which are experiencing acute shortages.

Another potential response to spot shortages and emergency fuel interruptions is "wheeling" or channeling electric power from parts of the country which have excess generating capacity in coal or nuclear-fired power-generating facilities.

STRATEGIES TO REDUCE DEMAND

The Administration continues to stress voluntary conservation measures. Schlesinger noted, "If we are careful in our conservation, we can offset, to a considerable extent, the effect of the Iranian withdrawal here in the United States." In his Feb. 12 press conference President Carter delivered a similar message, urging adherence to the 55-mile-per-hour speed limit, turning down thermostats to 65 degrees, and eliminating unnecessary driving.

CONTINGENCY PLANS

In the event of severe energy shortages, DOE is examining contingency plans for emergency restraints and

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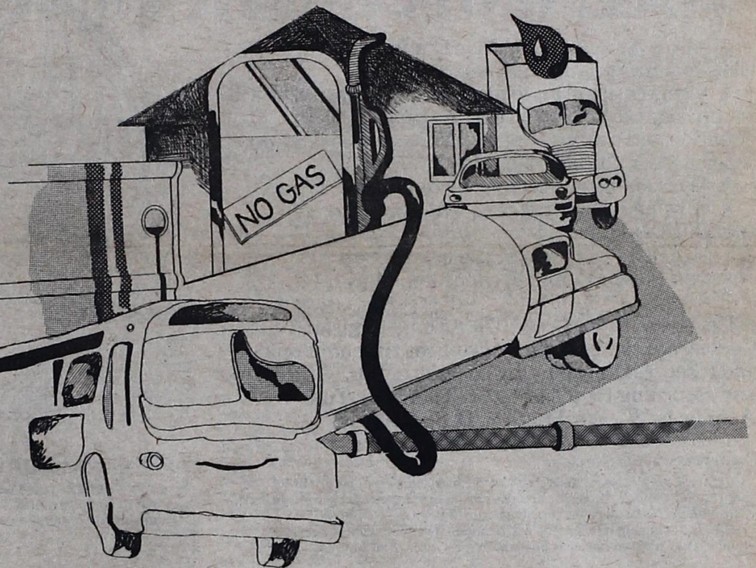


Hospital Cost Lid Bill Taking Shape

WASHINGTON, D.C.—The Administration is putting the finishing touches on hospital cost containment legislation which the President has called a key component in the fight against inflation. Despite its efforts during the closing weeks of the 95th Congress, the Administration failed to secure passage of a hospital cost containment bill.

This new proposal, announced Dec. 28 by Health, Education and Welfare Secretary Joseph Califano, would provide standby mandatory controls which would take effect in 1980 if the hospital industry were unable to hold cost increases to the stimated 9.7 percent rate established by the president's voluntary wage and price program.

The actual rate used to trigger mandatory controls could be higher than 9.7 percent since the ceiling figure includes a relatively modest 7.7 percent increase for the costs of goods and services purchased by hospitals.

Federal reins are needed on hospital expenditures, the Administration charges, because voluntary efforts to contain the sharp rise in hospital costs have not produced sufficient results.

Administration sources point to the 13 percent rise in hospital costs in 1978, a rate they say far exceeds such highly inflationary items as food and fuel.

The President's advisors estimate that as much as $22 billion could be saved between fiscal '80 and '84 if their hospital cost containment plans were enacted into law. This figure includes $18 billion in Social Security trust fund savings; state and local savings could be as much as $5 billion.

POSSIBLE EXEMPTIONS

In its proposal, the Administration is considering possible exemptions for individual hospitals which would otherwise be subject to mandatory controls. These include:

- If the rate of increase in total hospital costs in any state is within the national limit (adjusted for unusual state population growth) during 1979, all hospitals in that state could be exempt in 1980.

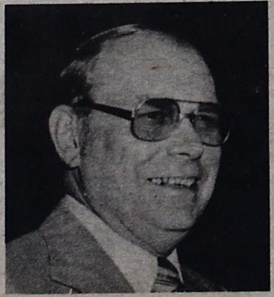
See POSSIBLE, page 5

WESTERN INTERSTATE REGION CONFERENCE

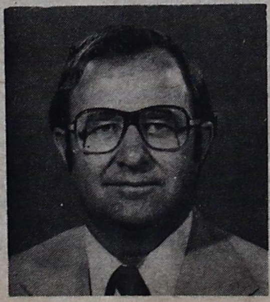
Inouye Pinpoints County Concerns

KAUAI, Hawaii—More than 600 county officials and guests attended the 39th annual NACo Western Interstate Region (WIR) meeting in the nation's furthermost western county, Kauai, Hawaii. John Carlson, WIR president and mayor of Fairbanks-Northstar Borough, Alaska, presided over the meeting held earlier this month.

In the keynote address, Sen. Daniel Inouye (D-Hawaii) spoke about critical issues facing the 96th Congress. He warned that gas rationing may be a necessary result of projected energy shortages and said the government should take steps to stem the rapid escalation of health costs.



Carlson



Black

Calling inflation the key domestic issue of our time, he said that it will take a combination of more government in some areas and less in others to bring inflation under control. He suggested that there should be a tax break on interest earned on savings. This incentive for increased savings will make more money available and lower the interest rates, he said.

Inouye noted that the cost of health care is rising faster than any other part of the economy. This is in part due, he said, to high insurance premiums and malpractice insurance which costs health care providers $1.25 billion annually. In addition, "defensive" testing procedures, another hedge against malpractice suits, cost between $2 and $7 billion each year. Inouye said that the federal government should establish a form of national health insurance as one way to deal with these problems.

Inouye drew applause from the audience when he committed himself to helping reduce government red tape. He also called for sunset laws which set the date for the death of government agencies if they have outlived their purpose.

NACo's Executive Director Bernard F. Hillenbrand, called on delegates to work hard during the conference to come up with ideas and to combine efforts to help fight inflation on the county level. He said that reenactment of general revenue sharing is one of the biggest challenges now facing counties. He called on county officials to help win the hearts and minds of Congress, the press and citizens back home.

WILDERNESS APPEALS facing public land counties were highlighted by other speakers. Frank Gregg, director of the Bureau of Land Management (BLM) promised that his agency would listen to counties in

See WILDERNESS, page 8

Regulatory Process under Review

WASHINGTON, D.C.—As the 96th Congress settles in, a flurry of activity has revolved around the way the federal government manages itself. In the wake of budgetary cuts and rising inflation, congressional committees clearly recognize the need to make the federal process efficient and economical.

As part of this renewed congressional endeavor, numerous bills have been introduced in both the Houses aimed at improving the regulatory processes of federal agencies. Most are directed toward placing a lid on the cost of complying with federal regulations, which ranges anywhere from $20 billion to $130 billion.

Of these measures, the most widely discussed bill is S. 262, the Reform of Federal Regulations Act of 1979, introduced by Abraham Ribicoff (D-Conn.), chairman of the Senate Governmental Affairs Committee. The measure is cosponsored by 16 senators, including Edward Kennedy, chairman of the Senate Judiciary Committee; William Proxmire, chairman of the Banking, House and Urban Affairs Committee; Russell Long, chairman of the Senate Finance Committee; and Herman Talmadge, chairman of the Agriculture, Nutrition and Forestry Committee.

In introducing the measure, Ribicoff noted that while Congress knows regulations are not free, they are not sure how expensive they really are.

"We should be looking for the most efficient and least costly means by which Congress and Administration can manage the regulatory process. Clearly we should move to eliminate duplication and delay. There is no reason to waste resources in steps which do not move us closer to our goals," he said.

THE BILL PROVIDES that a regulatory analysis be conducted by every federal agency prior to proposing rules. This analysis would include the need for and objective of the rule; practical alternatives; and a preliminary description of the projected economic impact of both the proposed rule and each of the alternatives. The full analysis would be published in the *Federal Register*. The public would have at least 60 days to comment and publication of the final rule would include discussion of the public comments.

The Congressional Budget Office (CBO) would be charged with periodically reviewing the regulatory analysis to ensure compliance with the law.

The proposed bill goes beyond the regulatory analysis required by President Carter's Executive Order 12044 issued last March. It would include the independent regulatory agencies as well, such as the Federal Trade Commission and the Securities Exchange Commission.

The bill also requires the federal agencies to review existing regulations in a two-stage process to ensure that existing regulations are cost effective and efficient. In including this provision, Ribicoff said, "We need to know if existing regulations are working. Otherwise regulations tend to develop a life of their own, sometimes imposing burdens without commensurate benefits."

A Senate Governmental Affairs Committee study found that planning, priority setting and leadership by top agency management is often inadequate. Widespread failure of agencies to set and enforce deadlines and follow other good management practices results in needless delays, it noted.

The proposed reform measure would require that each federal agency establish specific regulatory priorities and describe them in annual reports to Congress. Each agency is required to adopt deadlines, and establish an office to oversee the planning and management of its regulatory activities.

In addition, the bill proposed to restructure the Administrative Conference, an independent federal agency created in 1964 to study and make recommendations concerning administrative proceedings, actively monitor the way agencies plan and manage regulatory responsibilities as well as suggest ways agencies could by more effective.

The bill also includes actions to speed up regulatory hearing processes and establishes criteria for administrative law judges.

The measure was jointly referred to the Senate Governmental Affairs Committee and the Senate Judiciary Committee. No hearing has been set. However, considering the mood of Congress and the number of bills directed toward reform, NACo anticipates Congress will hold hearings relatively soon.

Workshop on OMB Audit Requirements

NEW ORLEANS—A workshop on OMB Circular A-102, "Uniform administrative requirements for grants-in-aid to state and local governments," is being offered for federal, state and local officials by the Interagency Auditor Training Center.

The workshop, scheduled for March 8-9 in New Orleans, will include explanations and discussions of each attachment to the circular as well as upcoming revisions concerning audit requirements and procurement standards.

An Office of Management and Budget official will be on hand to discuss specific problems concerning the circular or other grant management problems.

For further information contact The Interagency Auditor Training Center, Woodmont Building, Room 607, 8120 Woodmont Avenue, Bethesda, Maryland 2001[illegible], telephone: 301/492-6251.

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LABOR CONFERENCE

EEOC Vice Chair Will Give Briefing

WASHINGTON, D.C.—Daniel E. Leach, vice chair of the U.S. Equal Employment Opportunity Commission (EEOC), will update participants at NACo's Fifth Annual Labor Relations Conference on recent equal employment opportunity developments affecting counties and other local governments.

The conference, cosponsored by NACo's County Employee/Labor Relations Service (CELRS) and the County Supervisors Association of California, will be held at the St. Francis Hotel in San Francisco from April 29 to May 1.

Leach joined the EEOC on March 8, 1976 and was appointed vice chair by President Carter in August 1977. He is a former associate general counsel to the Senate Democratic Policy Committee. He has worked for the civil division of the U.S. Department of Justice and has taught law at several universities. The EEOC enforces Title VII of the 1964 Civil Rights Act, as amended, which prohibits employment discrimination based on race, color, religion, sex or national origin.

The general theme for this year's conference is Labor Relations and the New Fiscal Restraint. General sessions have been scheduled on topics such as the President's wage and price guidelines, prospects for public sector collective bargaining in 1979 and current legal and legislative developments in public sector labor relations affecting counties.

The conference will also feature skills-building workshops which are organized in a two-track format. Track one, entitled "What To Do Before (And Even After) The Union Arrives," focuses on the labor and employee problems of counties in a union-free environment and on planning and negotiating a first collective bargaining agreement.

Track Two, entitled "Dealing With the Union Environment," deals with the labor relations problems of counties in an established collective bargaining setting.

Conference registration and hotel reservation information will be published in next week's *County News*. For more information on the conference, contact Chuck Loveless of the NACo/CELRS Staff at (202) 785-9577.

Daniel E. Leach, vice chair of the Equal Opportunity Employment Commission.

NACCA Plans Liability Session

Governmental liability will be the major focus of the National Association of County Civil Attorneys (NACCA) at its mid-winter meeting in Washington. The meeting is being held in conjunction with NACo's 1979 Legislative Conference.

On March 12, the NACCA will sponsor a three-hour panel on "The Liability Crisis in County Government," which will explore a number of recent Supreme Court decisions and legislative proposals that may significantly alter the liability status of county government.

At the business meeting, March 13, the attorneys will meet informally with key congressional staff to consider S. 10, a bill that would allow the Justice Department to initiate class action suits in cases involving deprivations of rights of institutionalized persons. For further information, contact Don Murray at NACo.

FUNDING LEVELS DISCUSSED

Local Autonomy Asked From LEAA

WASHINGTON, D.C.—Changes in the Law Enforcement Assistance Administration (LEAA) program were recommended by Richard Hammel, commissioner, Genesee County, Mich., in testimony last week before the House Judiciary subcommittee on crime. Rep. John Conyers Jr. (D-Mich.), subcommittee chairman, welcomed Hammel, who is chairman of the NACo Criminal Justice and Public Safety Steering Committee.

HAMMEL SUGGESTED that the purpose of a federal criminal justice assistance program is to "encourage improvements in state and local criminal justice systems." However, he added, to accomplish this, "coordination between counties and cities is often needed to arrive at an application for assistance that reflects the priority needs of a county-level criminal justice system."

Cities contribute mainly to police services while counties support corrections, courts, prosecution, indigent defense and police services outside city boundaries. Hammel recommended adopting a 10 percent incentive to encourage counties and cities to form joint advisory councils and prepare joint applications.

He also recommended that state associations of counties have a role in the appointment of members of the state coordinating councils that review local funding applications. In the bill introduced by Rep. Conyers, the governor would appoint all council members.

"We favor entitlements to give major localities some discretion in determining funding priorities," Hammel said. He pointed out that much of the funding in H.R. 2108, the Criminal Justice Assistance Act of 1979, is slated for federal and state discretionary distribution and not enough for formula distribution. In addition, he noted that, while at least $350 million in formula funds is needed to maintain current staff and programs at the state and local level, this bill provides only $100 million.

Hammel suggested limiting the portion of formula funds that go to any one criminal justice function in order to achieve a balance of funding to all components of the local criminal justice system.

"We agree," said Hammel, "that funds should be provided for planning and coordination, that alternatives to the traditional justice system should be sought, that community anticrime efforts should be emphasized, that juvenile justice should be assured adequate attention, and that white collar crime is a major crime problem that often goes unattended by the forces of law and order."

Unfortunately, he added, the $500 million authorization level in H.R. 2108 is not enough to make a measurable impact in these areas or to support projects currently being funded in local jurisdictions.

Federal assistance, however, can help localities deal with their own problems if the federal government does not stringently predetermine the focus and the evaluation criteria for the local programs.

Hammel noted that since federal appropriations for the LEAA program are barely 2 percent of total state and local expenditures in criminal justice, "this is not a fiscal relief program."

"Rather, this is a program that offers state and local jurisdictions an incentive to make changes in program and procedures which will result in a more efficient, effective, fair and humane criminal justice system," he said.

Genesee County Commissioner Richard Hammel testified last week before Rep. John Conyers' subcommittee on crime.

Meeting Set for Elected Women

WASHINGTON, D.C.—Representatives from the White House, the National Women's Education Fund and the American Center for Women and Politics have been invited to join women in county government for a special session March 11 on ways to "expand the base for women in politics."

The session, which will be held in conjunction with NACo's 1979 Legislative Conference, will take place at 5:30 p.m. on Sunday, March 11.

The roundtable discussion will explore the current status of women in politics, President Carter's efforts to enhance the voice of women in government, training programs for elected women, and ways to encourage more women to run for office.

It will be followed by an informal wine and cheese reception to give women in county government a chance to meet each other.

The Women Officials in NACo will also hold a business meeting on Tuesday, March 13 from 7:30-8:45 a.m. All appointed and elected women at the conference are invited to attend these events.

Bill Would Consolidate Education Aid

WASHINGTON, D.C.—A bill to establish a cabinet-level Department of Education by the Carter Administration was introduced in the Senate Feb. 8. Although the department's responsibilities would be less extensive than those proposed in last year's version, which died in the House Government Operations Committee, the bill would add 10 new program areas to those now administered by the education division of the Department of Health, Education and Welfare (HEW).

The Administration is pushing for such a department in the interests of program consolidation and more efficient administration. At present, education programs are distributed among 40 federal agencies.

Counties, cities and school districts, which have the major responsibility for delivering educational services to their constituents, rely heavily on federal aid. Federal- and state-mandated programs have increased the need for such aid.

NACo's HEALTH and Education Steering Committee has been concerned that a separate department would further complicate the problem of coordinating education and other services at the local level. The education subcommittee, chaired by Commissioner Richard Fisher of Orange County, Fla., will be studying the proposal and making recommendations to the full steering committee.

According to Education Commissioner Ernest Boyer, a more highly visible department would simply emphasize the importance of education to the national welfare. There would be no intention of imposing federal standards across the board.

The bill, in fact, contains language that would keep curriculum, local school administration, personnel and textbooks out of the purview of the federal government.

The new department is expected to have 16,200 employees and a budget of $12.5 million. It would include the Defense Department's schools for overseas dependents, Labor Department's migrant education programs, Department of Agriculture graduate school and HEW and Department of Justice student loan programs for training law enforcement officers, nurses and health professionals.

Other programs like hot lunches, Indian education and Headstart, which were in last year's bill, are now excluded. Their inclusion had been a subject of controversy.

Political realities have also excluded some major programs which together are larger than the whole proposed department. It appears the department will not in fact be the kind of superagency envisioned by its most ardent supporters and feared by its detractors.

The Administration hopes the bill will pass the Senate in March and the House by early summer. However, it is expected that the House Government Operations Committee will again prove a hurdle hard to overcome.

County outlook

BERNARD F. HILLENBRAND, NACo EXECUTIVE DIRECTOR

Muskie's Stern Warning

Sen. Ed Muskie (D-Maine) has issued a stern warning: efforts of state legislatures to call a constitutional convention to require a balanced budget could backfire and cause the loss of general revenue sharing and a host of programs vital to state and local government.

In his Feb. 13 address to the National Press Club, he said his speech was "...not a threat but arithmetic."

On one hand, Congress will be asked to appropriate about $82.9 billion in federal grants to state and local government in 1980. On the other, states are collectively expected to run a surplus of $29 billion, or about the same amount of surplus as the projected 1980 federal deficit. The temptation by Congress to balance the federal budget by cutting state aid is obvious.

Muskie pointed out that the Congress could actually have a slight federal surplus merely by "...killing revenue sharing, educational grants, sewage construction grants...and the jobs (CETA) program."

In the sharpest attack yet on state legislatures, he said that in some states "...prudence has given way to panic." Apparently responding to a poll published by the Associated Press and the National Broadcasting Company that shows 70 percent of 1,600 Americans interviewed favored a balanced budget, the states are racing to win voter popularity by passing constitutional convention resolutions.

Muskie noted that the Pennsylvania legislature approved a similar resolution minutes after calling for re-enactment of general revenue sharing grant programs.

To date, Idaho became the 27th state of the 38 states required to force Congress to propose a constitutional amendment requiring a balanced federal budget.

Muskie pointed out that Congress is already making great progress in reducing federal deficits which in 1975, prior to the Congressional Budget Act, were 3 percent of the gross national product (GNP). In 1980 they will be only 1.2 percent of the GNP.

President Carter, who is opposed to the restrictiveness of a constitutional amendment, is, however, equally dedicated to a balanced budget which he projects will happen in 1981.

The senator also attacked the concept of calling a constitutional convention and pointed out that it could be used for "other popular crusades—to outlaw guns, to make abortion a right, to make abortion a crime, to ban forced busing, to endow forced busing with a specific constitutional sanction, to limit the access of the press, to give the press more access."

Muskie's warning must be taken seriously by county officials since it comes from one of the strongest Senate supporters of state and local government and the chairman of the Senate Budget Committee.

Battling Bureaucracy

With the President's proposals now before Congress, much of the 1980 budget debate is likely to center on the theme that a swollen bureaucracy is killing Americans with overzealous regulation.

Congress will undoubtedly mobilize its own considerable bureaucracy to argue that the federal government has grown too large and is out of control. The Congressional Budget Office, for example, that was established to bring order to the federal budget process, will under the President's proposals be authorized 218 full-time positions at an average salary of $27,505 and at a total cost of over $13.5 million for fiscal '80.

The 100 U.S. senators will call upon their 6,700 professionals and clerical staffers and the 439 representatives and delegates can draw on their 11,000 employees to help fight this bureaucracy.

Congressmen are quick to point out that an overwhelming proportion of their time and that of their staffs is spent in representing helpless citizens against unresponsive bureaucrats.

With respect to the regulations themselves, the predecessor 95th Congress introduced 22,000 bills, a great proportion of which would require more federal regulation as did many of the 1,600 measures that finally did pass both Houses.

President Carter has responded to the problem by creating a Regulatory Council headed by Environmental Protection Agency chief Douglas Costle. The President believes a central coordination of the nation's regulations is needed and the council is designed to provide that coordination.

An example of the bad effects of poorly coordinated regulations comes quickly to mind. Hospitals in Maryland are required by health regulators to keep hot water temperatures at a certain level for sanitary reasons. On the other hand, the Department of Energy requires that the temperatures not exceed a certain level for energy saving reasons. The result is that hospitals have added to their costs by carefully monitoring hot water temperatures to keep them within the few degrees tolerated between the two sets of regs.

The interrelationship of federal regulations is dramatized by the recent move of EPA to lower national anti-smog standards. In a cautious balancing act between White House inflation fighters and environmental groups, Costle eased the ozone standard, one key element in smog, from .08 parts per million to .12 parts per million, saying that he foresaw no serious threat to health. The immediate effect is that from 10 to 20 urban centers will not have to implement drastic transportation controls or restrict economic growth.

Finally, a suit filed on behalf of Sears Roebuck and Company against most of the federal enforcers of civil rights laws and regulations is sure to add fuel to the over regulation debate.

The complaint alleges that among other things the federal rules on affirmative action are vague, confusing, conflicting, badly administered and not followed by federal agencies themselves in their own employment practices. It charges that the preference in the work force for white males is largely a result of government policies, most notably those favoring veterans, who are largely white and male. It alleges that the Census Bureau's labor statistics are inadequate for measuring compliance with equal employment requirements. Furthermore, the complaint charges that by acting to extend the retirement age of workers to age 70 (The Age Discrimination Act) Congress has effectively slowed the entry of many minorities, including women, into the labor force.

With respect to NACo and county government, the feeling is overwhelming that one of the most effective ways we can fight inflation is to eliminate conflicting and unnecessary regulations and simplify and streamline those that are necessary.

This is almost certain to be one of the major messages that our county leaders will be delivering as we proceed with our inflation fighting efforts.

Removing Barriers Pays for Itself

by Frank Bowe
American Coalition of Citizens with Disabilities, Inc.

When President Carter first announced his intention to propose an "austere" budget for the coming fiscal year, one segment of the American public reacted with a particularly acute sense of foreboding. The country's 36 million disabled citizens knew that the combination of their political powerlessness and the highly publicized price tags associated with their newly granted rights would make them one of the first victims of the budgetary cuts. And that is exactly what appears to be happening. As one disabled woman put it: "Just when it is our turn to get a piece of the pie, people decide we can no longer afford dessert."

Leading the charge has been the National Governors Association (NGA). In a meeting with President Carter and in a letter to Budget Director McIntyre, the NGA proposed a deal: in exchange for the governor's acquiescence on the budget cuts, Carter should authorize cutbacks and delays in implementation of Section 504, the civil rights statute for disabled people, and relax the legal requirements of P.L. 95-602, the recently enacted Rehabilitation, Comprehensive Services, and Developmental Disabilities Amendments of 1978.

Bowe is responding to a national column by Neil Peirce which questioned the cost-effectiveness of federally mandated accessibility for the handicapped in the area of transportation.

Columnist Neil Peirce picked up the theme. In recent columns, he has attacked the cost implications of Section 504 while decrying federal strings upon rehabilitation dollars. "President Carter has a golden opportunity to show his mettle on fighting inflation, reducing burdensome regulation, saying energy, and helping out the nation's cities," says Peirce. The "golden opportunity" he sees is "to cease and desist" with Section 504, especially in transportation.

The arguments advanced by the NGA and Peirce have a certain surface validity: in a time of tight fiscal constraints, expensive social programs administered on the state level might better be less stringently regulated from Washington. The facts explode the theory, however. Let's examine some of the arguments and the relevant data.

Myth #1. It's too expensive to grant disabled people access to programs and facilities. No one debates the fact that accessibility can be expensive. After all, most of America is blatantly inaccessible to people using wheelchairs, senior citizens, and others with mobility problems. Less obvious, but equally pervasive, are barriers to deaf people which prevent them from understanding television and many other forms of communication and obstacles to blind persons which impede them from acquiring information. To remove these barriers will require investments of financial and manpower resources, perhaps several billions of dollars.

But what are the costs of *not* removing these barriers? Today, fully half of all adult disabled people who are not institutionalized are on some form of public income maintenance, most because they cannot get jobs in inaccessible buildings, training in inaccessible schools, and transportation in inaccessible buses and subways.

The cost to society: a staggering $100 billion annually in federal, state and local income-maintenance and related dependence-oriented expenditures. These costs are rising at a rate far outpacing inflation and the national economic growth rate; the spiral is out of control. Only one measure will halt and then reverse the trend—getting disabled people off dependence programs and onto payrolls.

Myth #2. Special services are cheaper and better than access to general services. On the surface, this argument appears to make sense. Rather than design, and where necessary retrofit, the general transportation and other systems and facilities for full accessibility, offer disabled people separate, "individualized," services. The argument is that to provide "dial-a-ride" and "special education" services is less costly than is making the mainstream system open for use by disabled as well as able-bodied persons—and that these separate services help disabled people more anyway.

The facts to dispute this contention are readily appreciated. Special services, by their very nature, are continuing, annual, costs; accessibility modifications, by contrast, are fixed, one-time expenses. Further, the opening of the system to disabled people increases use of the system without raising operating or other costs once the accessibility modifications have been made.

Take for example transportation. The labor, fuel, repair, capital, and other costs involved in mass transit are constant whether disabled people use it or not; opening the system to disabled people increases revenue through fares without necessitating additonal runs.

Myth #3. Permitted more flexibility through relaxed regulations, the states will allocate funds in a more effective manner, thus improving services for disabled people. This argument flies in the face of the undeniable reality that throughout the history of this country—that is, throughout the long period when there were no regulations requiring equality of opportunity and delivery of services for disabled people—the states manifestly did not protect these rights nor deliver these services to those who most needed them.

There is no compelling reason to believe that things will be drastically altered in the near future. There is strong reason to believe, however, that powerful lobby groups will muscle disabled people out of the picture were the regulations to be removed or significantly cut back.

Spending on rehabilitation is notably lower, and increases much slower from year to year, in states where the spirit as well as the letter of the federal laws and regulations are not followed, such as Florida and Georgia, than in states where they are. More convincing evidence of the fallacy of this myth is difficult to imagine.

It seems, then, that President Carter does in fact have a "golden opportunity" to help halt inflation, improve services, and conserve energy. But it is not the "opportunity" Peirce and the NGA perceive. Rather, it is to pursue courageously the path his administration selected during the past two years, one of attacking unnecessary barriers to disabled people while at the same time improving job training and other services.

Summit Eyes $33 Million for Elderly

SUMMIT COUNTY, Ohio—Has the passage of Proposition 13 in California last year and the appearance of similar measures on the ballot in other states made it impossible for elected county officials to undertake new programs to meet the basic long-term needs of the people in their counties?

If the county is Summit County, Ohio, and the people in need are the elderly, the answer is "no."

Last year Board President Mark T. Ravenscraft persuaded Commissioners John R. Morgan and Ted E. Cole that the county should review its basic commitment to the elderly and perhaps undertake a major construction and service program to meet the future needs of the county's elderly.

Morgan and Cole agreed, and a Summit Seniors Team was appointed to study the county's future role.

County Planner Jacqueline Kennedy was appointed chairman of the team which includes representatives of several county departments, a private consulting firm, a university gerontology center, a private home-care firm and several others interested in the project.

Although the commissioners stated their willingness to undertake new responsibilities and the community has shown interest and support for a major undertaking, the task before the team is not easy.

"CAMPUS" FOR THE ELDERLY

Immediately some local elderly citizens directed the team's attention to an abandoned county home building located on a 440-acre plot of county-owned land. The county home was built in 1918 and housed about 206 indigent people, but was closed in 1970 because the building had become a fire hazard.

Although several engineering studies concluded that the building is useless, this group of citizens advocates reopening the impressive, if dilapidated, old white-columned structure as part of a new facility for the elderly.

The new facility, however, would be considerably more comprehensive than the former institution. A "campus" has been proposed that would include a nursing facility, a hospice for the terminally ill, a housing complex, a clinic and social-educational facility for the county's elderly plus some small commercial establishments.

An initial estimate of the proposed campus is $33 million, which the commissioners have shown themselves willing to undertake.

"What I would like to see," Ravenscraft recently told team members, "is a system that will realign health care in this county so that we do not just react to severe illness, but provide supportive services to the many elderly citizens who need help but are not severely ill."

Ravenscraft

"What I would like to see is a system that will realign health care in this country so that we do not just react to severe illness, but provide supportive services to the many elderly citizens who need help but are not severely ill."

Ravenscraft emphasized the need for a center that enables all elderly citizens to contact "a person, a place, a telephone number" and a continuum of services reaching from the center into the community. He added that he strongly wants the center to serve all the elderly, not just the indigent as the old county home had done.

When asked by a citizen about the cost of such a system Ravenscraft replied, "I am not going to tell you that the cost of county government isn't going to go up. It is. But, as part of the increase, I want to make a structure available to the elderly in this county."

Replying to the same question, Commissioner Morgan said that he hoped that bonds could be used as seed money and that the property itself might be used to provide the county with capital.

Both commissioners agree that federal and state funds will be used when available.

QUESTIONS STILL remain, however, about the appropriateness of the site and even of the campus approach itself. Consequently, a variety of consultants have been contacted by the team to advise on what the county should do.

Jerome Kaplan, director of Mansfield (Ohio) Memorial Homes, warned the team that the critical question facing the county was whether it wanted to build a facility that would serve only 1 to 4 percent of the elderly or provide other kinds of services that would help 40-50 percent of the elderly.

Gerontologist and author Powell Lawton pointed out to team members that providing housing on land somewhat removed from stores, banks, and restaurants was risky. (The 400-acre site lies in the suburbs of Akron.)

Determining the future role of a county-sponsored campus is made more difficult by a local housing authority and a local rehabilitative hospital. Each is proposing a similar campus on land close to its own facilities. Both have taken the first steps to funding and building their campuses.

PLANNING FOR THE FUTURE

To help understand the long-term needs of the county's elderly, the county commissioners applied to the Aging Program at the National Association of Counties Research Foundation (NACoRF) to participate in its project to develop long-term plans for the elderly.

After Summit was selected to participate in the project, NACoRF research associate Phil Jones spent two weeks in the county working with the county planning department and interviewing staffs of local planning offices and service agencies about present and future needs of the elderly in the county.

Within two to three months Jones and the county planning department expect to provide the team with a long-range needs analysis that will help team members grapple with the problems and issues they face.

"Our analysis will probably provide no complete answers," Jones says, "but it should give the team additional information to help their own deliberations and final suggestions to the commissioners."

Summit is the third county to be selected for NACoRF's project. Rensselaer County, N.Y. and Plymouth County, Iowa are also participating in the project.

Funded by the federal Administration on Aging, the project allows NACoRF researcher to work with county and other local agencies to begin planning for increases in a county's elderly population expected by the year 2000.

Results of the planning process in Summit and four other counties will be made available later this year. For more information contact the Aging Program at NACo.

Possible Exemptions in Hospital Cost Bill

Continued from page 1

• Even if total hospital costs in a state do not meet the limit, individual hospitals meeting the limit in 1979 could be exempt;

• Small, nonmetropolitan hospitals (under 4,000 admissions), new hospitals (less than three years old) and Health Maintenance Organizations (HMO) hospitals (with 75 percent of patients enrolled in a qualified HMO) could be exempt from the mandatory program regardless of their rate of increase in 1979;

• Hospitals in states with mandatory cost containment programs of their own could also be exempt if the state program met requirements established by regulation (e.g., it covers all hospitals and all patients.).

Under present estimates, less than half of the nation's 6,000 community hospitals would be affected by the mandatory program if all these exemptions were incorporated into the legislation.

MANDATORY PROGRAM

Under the proposal, individual hospitals which come under the mandatory program would be given an allowable annual rate of increase in total inpatient revenues per admission. This allowable increase includes a basic limit—comprised of an allowance for inflation and an allowance for efficiency or inefficiency—and adjustments for exceptional circumstances. For example, hospitals with unusual circumstances could, on an exceptional basis, have their basic limit increased.

As in earlier cost containment proposals, the mandatory limit on total inpatient revenues per admission would be enforced in two ways: the refusal by Medicare and Medicaid to pay cost in excess of the hospital's mandatory limit and a 150 percent tax on excessive revenues collected by the hospitals from nongovernmental payers.

Additionally, a hospital cost containment commission would be established to oversee the program, advise the Secretary and recommend changes. Members would include third party payers, public members and hospital care providers.

The Administration has not yet announced who will sponsor the bill in Congress. The bill will need to be reviewed by health subcommittees in both Houses, the Senate Finance Committee and the House Ways and Means Committee.

Health, Education and Welfare Secretary Joseph Califano

Welfare Tests Raise Issue of Marital Stability

WASHINGTON, D.C.—Revival by the Administration of a welfare reform proposal can be expected to meet with challenge in the 96th Congress on the basis of a series of income maintenance experiments conducted by the Department of Health, Education and Welfare (HEW) late last year.

HEW tested the negative income tax concept in rural North Carolina and Iowa; Gary, Ind.; Seattle, Wash.; and Denver, Colo. to find out how such programs affected the work behavior of low-income people.

Although results on the whole were encouraging to proponents of the guaranteed income, the Seattle and Denver experiments raised the question of the effect of guaranteed income on marital stability. The rate of marital dissolution in Denver was approximately 60 percent higher than for similar families in ordinary welfare programs.

This result is particularly surprising because experts believed aiding intact families would increase marital stability. In fact, a major criticism

Analysis

of the Aid to Families with Dependent Children (AFDC) program has been that it aids only one-parent families, thus encouraging husbands to leave their families in order to make them eligible for assistance.

Experts reasoned that if intact families were eligible for aid, men would stay with their families. This kind of reasoning played an important role in the extension of the AFDC program in 1961 to Unemployed Parents (only 25 states have such a program) and was used to justify arguments for a negative income tax program to aid the poor during the 1960s and '70s.

The findings of marital instability were found only in the Denver-Seattle experiments, causing those results to be carefully scrutinized. Critics contend that since none of the experiments were designed to test marital stability, the results may have been influenced by the manner in which the tests were conducted, thus ignoring the real causes of the divorce.

The findings may be merely a reflection of the divorce rate in those cities which is nearly double the national average. It is also speculated that providing welfare to intact families undermines the role of male head, thus causing marital splits. Another theory suggests that a guaranteed income is more attractive to wives contemplating divorce than equivalent amounts from welfare.

OTHER RESULTS WERE positive. Given the choice between a guaranteed income and a job, most poor people would rather work. The results vary, depending on the level of benefits and the rate at which benefits were reduced as earned income rose.

Generally, husbands participating in a negative income tax program with a poverty line guarantee and a 50 percent tax rate will work about 7 percent less than they would in the absence of a program. If the tax rate is increased to 70 percent, the reduction in work will increase to 12 percent. The comparable percentages for wives are 22 percent and 28 percent.

The larger reductions for married women and female heads of households can be explained in terms of societal expectations. Married men are expected to work. Raising children and doing other work in the home is at least an equally legitimate role for married women and female heads of household.

Sen. Daniel Patrick Moynihan (D-N.Y.), chairman of the Senate Finance subcommittee on public assistance, held hearings on this research in November. While the senator has been a recognized proponent of a guaranteed income program, he refused to draw any conclusion from the findings.

Despite any firm conclusions drawn from the study, the reported effects on marital instability of income maintenance programs is likely to influence any future welfare reform proposals.

—Diane Shust

COUNTY CLOSEUP

Planning Ahead for Disaster Situations

Editor's Note: This article was prepared by Verne Paule, Marin County public information officer.

MARIN COUNTY, Calif.—With landmarks such as the artistically modern Frank Lloyd Wright Civic Center, majestic Mt. Tamalpais and the picturesque Pt. Reyes National Seashore, Marin County overlooks San Francisco from the north. And with its luxurious homes, urban, and recreational areas and shopping centers, the infamous San Andreas Fault bisects the county.

It was during the Marin County Disaster Council meeting last November that council president, Robert Roumiguiere, said, "If the San Andreas Fault doesn't get us, a nuclear attack will." But he added, "In terms of being prepared, we are in good shape!"

Marin County has in its governmental hierarchy an innovative Emergency Services Office, headed by Frank E. Kirby, a veteran of county service.

AN ADJUNCT TO the Office of Emergency Services is the seven-member Disaster Council.

State and federal civil defense officials have cited this council as an example of an active, effective organization which brought the community into the mainstream of disaster planning, following the 1971 Los Angeles area earthquake. At that time, Marin County was lacking any viable civil defense program. The county's inability to cope with a disaster was brought to the attention of the county board of supervisors through a series of newspaper articles, written by Jeff Greer.

Greer was later asked by the board if he would serve on the disaster council. He describes his involvement by saying, "All that I did was get together the ideas and the thoughts of a bunch of very helpful disaster officials at the federal and state levels, other county officials, and pass them along in the stories to the supervisors. They got Frank Kirby in the act and it took off from there."

Kirby gives great credit to the Disaster Council which is a state mandated requirement for all counties in California. William Ward, manager of the California Office of Emergency Services Region II in Concord, Calif., notes that "the council and Kirby offer great examples of cooperation, interest, and success in emergency planning."

THE DISASTER COUNCIL was created by a county ordinance. The chairman is a supervisor, selected by the board. Roumiguiere has been selected as council president for the past five years. The other members are also appointed by the supervisors and they meet at the call of the president, but generally every two to three months.

"Emergency preparedness—civil defense—is an important obligation of county government," says Roumiguiere. "I have a high regard for the experts in the field, the firemen, the police, the ambulance and medical, the communications people, and those in private industry who pitch in when we have an exercise involving them."

For the past six years the county has conducted 10 emergency exercises—six live and four simulated—for earthquakes, bus accidents, and nuclear preparedness. Kirby points out that each exercise is critiqued before the Disaster Council. "In that way," he says, "the council hears the weaknesses and the problems and makes their suggestions so we can coordinate whatever actions are necessary. We then get back to the board of supervisors who provide the funding."

Jim Reed, mayor of San Anselmo and a council member explains that "the Disaster Council assists in correcting weak spots by listening and being a catalyst for thought."

He cites as an example a council meeting where discussions brought out the need for a plan to direct casualties to various medical institutions.

"This has been known for some time, but nobody did anything about it," he says.

The council took action after hearing a report of a simulated bus accident. A plan for the prompt transportation of disaster victims to hospitals should be ready for adoption in a few months, says Reed.

TURNING SOLID WASTE TO ENERGY—Behind the shovels and cloud of dust were the official ground break of a massive electricity producing resource recovery plant in Dade County, Fla. From left are Vice-Mayor N Adams, Commissioner Clara Oesterle, Mayor Steve Clark, Commissioners Barry Schreiber, Bill Oliver and R Shack, County Manager M.R. Stierheim, Commissioners Harvey Ruvin and James Redford. The $165 million pla will recover ferrous and non-ferrous metals (such as aluminum) and color-sorted glass from solid waste, and prod steam that will generate enough electricity to supply 41,000 homes for one year. In addition, the resource recove operation will provide about 150 local jobs with an annual payroll of $1.8 million. The refuse processing capacity the facility is nearly one million tons per year of mixed household and commercial waste. When completed in 198 will be the most advanced in the country.

IPA Management Fellowships

WASHINGTON, D.C.—Five outstanding candidates for doctoral degrees in public affairs and administration education have been awarded research fellowships of up to $8,000 in public personnel management. The joint announcement was made by James D. Kitchen, president of the National Association of Schools of Public Affairs and Administration (NASPAA) and Charlotte L. Williams, NACo president and commissioner, Genesee County, Mich.

The awards were made possible by a grant funded by the U.S. Office of Personnel Management under the Intergovernmental Personnel Act. The recipients, their schools and research topics are as follows:

- David Noel Allen, School of Public and Environmental Affairs, Indiana University; *Street-Level Police Supervision: The Effect of Supervision on Police Officer Activities and Agency Outputs.*
- Curtis Wayne Copeland, Department of Political Science, North Texas State University; *Innovation in Municipal Personnel Offices: An Exploratory Study of Two Federal Regions.*
- Robert Paul McGowan, Maxwell School of Citizenship and Public Affairs, Syracuse University; *Public Managers and the Acquisition and Utilization of Information: An Analysis of Agencies in New York State.*
- Robert Charles Rodgers, Department of Political Science, Michigan State University; *The Impact of Collective Bargaining Legislation on Public Employee Strike Activity.*
- Lois Recascino Wise, School of Public and Environmental Affairs, Indiana University; *Public Employee Incentive Systems: The Impact of Personnel System Change.*

A panel of county officials a deans comprised the selection co mittee. NACo's representatives the committee were John Fran board chairman, Johnson Coun Kan.; Conrad Joyner, supervis Pima County, Ariz.; Michael M supervisor, Milwaukee County, W and Nicholas Meiszer, administrat Chesterfield County, Va.

- The recipients are expected complete their dissertations wit 12 to 15 months.

This is the second year of the jo NACo/NASPAA research fellows program, the purpose of which is improve the quality of pub management research. B academics and practitioners benefit from the research these d toral candidates are producing.

Announcements for the 1979 NASPAA/NACo Public Person Management Research Program be distributed in September 1979.

Use of Federal-Aid Highway Funds Discussed

The Transportation Project of NACo's research arm, NACoR, recently conducted a workshop on fiscal accountability and use of federal-aid highway funds at the 88th winter meeting of the New York State County Highway Superintendents Association. The workshop was moderated by Art Haddad, former Miami County (Ohio) engineer and first vice president of NACE. He has been appointed assistant director of the Ohio Department of Transportation (See related story).

The following summary of workshop presentations provides information on the administration and auditing of federal highway programs in New York and Illinois. A major topic of discussion was use of "force account" on federal-aid projects. Force account refers to use of a county's own crews to construct a federally-funded highway or bridge project.

PANELISTS—Kenneth Reitmeier, president of the New York State County Highway Superintendents Association, standing, welcomed participants at the NACoR workshop on fiscal accountability and use of federal-aid highway funds. Workshop panelists from left are: Joseph Amedick, Jr., Genesee County (Mich.) highway superintendent; Melvin B. Larsen, engineer of local roads and streets, Illinois Department of Transportation and Joseph Smith of New York DOT.

NEW YORK EXPERIENCE

David H. Bulman, director, Safety Capital Projects Bureau, New York State Department of Transportation (NYDOT) emphasized that working communications and dialogue among federal, state and local governments are fundamental to proper management of spending programs.

Since 1968, federal-and state-funded traffic safety programs have enabled construction of nearly 250 projects, valued at $240 million on urban streets off the state highway system. Nearly all projects were let to contract by NYDOT.

Matter and Measure

Working with the safer roads and pavement marking demonstration programs since 1973, NYDOT, through its regional officials, has generated 841 projects, costing approximately $24.5 million and involving 57 counties and 1,548 municipalities. In these programs, NYDOT first developed the "unit price force account" method.

For example, NYDOT developed unit prices for installing a square foot of sign. The price included all labor and overhead, materials and equipment costs assigned to the square foot of sign. Ninety-five percent of the projects were constructed by local governments with payment made on the basis of the square feet of signs installed. To date, the state has completed payment of $5.7 million for 449 safer roads and pavement marking demonstration projects constructed by local governments.

With the off-system program created in 1974, unit price force account was not used. FHWA held that bridges were too complex for a unit price per square foot of deck to reflect actual construction costs. Yet, experience in the program may lead to use of such pricing on a geographic basis, noted Bulman.

In 1976 Congress created the safer off-system roads program (SOS), and NYDOT issued procedures for SOS projects, developed in cooperation with the county highway superintendents association. An allocation formula based on population, non-federal aid mileage and accidents was developed. In each of the state's 10 regional offices, a community assistance engineer assigned to the Traffic and Safety Group is responsible for working with county highway superintendents in developing a five-year program of projects under the SOS program.

Since December 1977, 670 SOS projects worth $10.6 million have been developed. In addition, $8.5 million in SOS funds have been assigned for the inventory and inspection of approximately 14,000 bridges greater than 20 feet in length off the federal-aid system. Federal bridge replacement funds are being used for the inventory and inspection of bridges on the federal-aid system. The inventory and inspection of approximately all the 20,000 public bridges in the state will be completed by this September.

The 1978 Federal-aid Highway Act requires, for the first time, that 50 percent of the funds obligated in any year under the SOS program be used for highway safety construction projects: any project which corrects or improves high hazard location, eliminates roadside obstacles, improves highway signing and pavement marking or installs traffic control or warning devices at high accident locations.

Under the highway bridge replacement and rehabilitation program, approximately $60 million for fiscal '79 is available to New York.

NYDOT is now developing an interim list of deficient bridges. This list, in conjunction with a regional allocation of bridge funds, will be used to develop, in cooperation with local government, a final list of bridges in need of replacement or rehabilitation.

NYDOT currently anticipates that most bridge projects will be designed and let to construction by the state rather than by force account. Local government force accounts for bridge construction will be approved on a case-by-case basis and limited to projects with clear demonstration of public interest.

In cooperation with local governments, NYDOT will develop a bridge program to provide maximum benefit allowed under legislation for off-system bridges—35 percent of funds.

AUDITING FORCE ACCOUNT

Joseph Smith, deputy assistant commissioner for management and finance, NYDOT, reported that New York is one of few states that contracts with counties and towns for federal-aid projects, instead of letting state contracts. This method, however, imposes the additional burden on the state of performing a detailed audit of all costs incurred by local forces.

As a prerequisite to state approval of the local contract, the state determines that the project has been properly authorized by the Federal Highway Administration and that the state's Traffic and Safety Division and regional office have reviewed the proposed project to ensure it meets program criteria and is in compliance with other state and federal regulations.

Since the off-system and SOS programs began, NYDOT has secured federal authorization for over 600 projects to be performed by local forces. With this additional workload on the field audit staff, the state performed final audits on about 45 projects. Many audits disclosed problems that have prevented local governments from receiving reimbursement of costs eligible for federal funds.

Smith reviewed the following typical audit problems that have resulted in disallowances:

• Work performed prior to the date of authorization by FHWA.

• Limit on the amount of work that can be subcontracted by the local agency; subcontracts beyond the limitation become subject to all requirements of a full-fledged federal-aid highway contract.

• Use of CETA (Comprehensive Employment and Training Act) people; according to FHWA, CETA worker salaries are not eligible for reimbursement.

• "Barter deals" between counties and towns or other political subdivisions; if a subdivision performs work, the value of that work must be fully accounted for.

• Recordkeeping; some counties keep records only to support the amount of federal funds the project was programmed for; lack of records is a problem when state auditors disallow part of the costs; remaining costs may then be insufficient to justify the amount of federal participation originally programmed and the county comes up short.

Smith observed that local force account work with a direct cost reimbursement leaves much to be desired. Rather, he suggested that force account projects be handled on a unit cost basis. Items could be broken down in terms of standard specifications by feet of rail or tons of concrete. A county's plans, specifications and estimates package could be broken down as though the project were going to bid, with quantities determined for each item, he said.

Quantities could be verified and agreed upon with prices determined by an average bid price or a percentage of an average bid price to arrive at a reasonable cost. Such a unit cost basis could eliminate red tape. The state would not audit each cost and would be dealing with standard specification items, knowing quantities of items needed and a unit price.

FEDERAL VIEWPOINT

James A. Nogle, chief, contract audit staff, FHWA, Washington, D.C., pointed out that FHWA procedures call for dependence upon state audits. Auditing is performed at the state level since federal-aid funds are apportioned to state governments. When state agencies distribute federal funds to counties, the county or state could perform the audit.

It has become customary for a county receiving federal funds to have a financial audit performed by an independent auditing firm. The county must have a good accounting system to show how many hours were worked. FHWA suggests that counties work with their state transportation agency auditors so that the independent agency will meet state and federal requirements. This is the single audit concept; (e.g., satisfactory work performed by an independent auditor will be acceptable at the next level.)

To increase efficiency and require less manpower, FHWA will cooperate with any audit group, such as the state, and will work with commercial accounting firms to perform audits acceptable at the federal, state and local levels.

ILLINOIS EXPERIENCE

Melvin B. Larsen, local roads and streets engineer, Illinois Department of Transportation, explained how his state administers federal highway programs.

In Illinois there are strong local governments and organizations representing local government officials, including the county highway superintendents association, township officials organization, and municipal league. The state meets with committees of the county highway superintendents association, attends county legislative committee meetings and meets every two months with municipal league policy groups.

Federal-aid secondary (FAS), SOS and bridge projects are administered under the Secondary Road Plan. Ninety percent of FAS funds are distributed to counties; the state performs FAS work up to contract letting at the state level. Essentially all SOS funds go to local governments. All federal-aid urban system funds go to municipalities.

The state lets most contracts, although some pavement marking projects are handled by local contract or force account.

When local forces perform work, a project agreement is made between the state and local agency so requirements are clear and there is an understanding how money will be split.

Force account work, called day labor in Illinois, comprises less than 10 percent of major projects. To approve day labor, Illinois DOT requires a finding in the public interest and assurance that counties have adequate manpower and equipment.

Day labor is administered under the Secondary Road Plan and based on unit quantities required with PS&E package (plans, specifications and estimates). The state confers with counties on each project. Materials are advertised so a price can be established. Counties propose unit prices, about 75 percent of what a letting would be, and negotiate with the state. Once a day labor project is completed, a determination is made whether the county lost or made money.

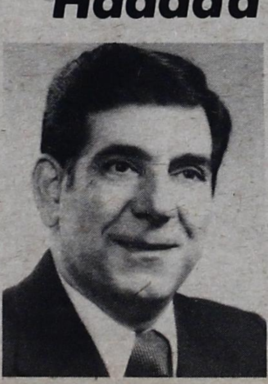
If money is lost, costs will be negotiated up for the next project; if money is gained, costs will be negotiated down. A key point is that the state has a complete set of plans for county day labor work.

COUNTY COMMENTS

Art Haddad discussed communications within Ohio. A state-county liaison committee, a type of blue ribbon committee within the Ohio County Engineers Association, meets regularly with the Ohio Department of Transportation (ODOT), including the director and his top staff and the FHWA division administrator on federal program implementation. For example, the state county engineers association will sponsor a seminar on the new federal bridge program, with ODOT and FHWA personnel, to determine distribution of federal funds among the counties.

Joseph Amedick, Jr., Genesee County (Mich.) highway superintendent, voiced concern over distribution of federal bridge funds since there is more money available than ever before. Since the objective is to get bridges built as quickly as possible, Amedick called for a uniform system throughout the state to expedite bridge production.

Haddad Named to Ohio DOT



Haddad

OHIO—Arthur D. Haddad, Miami County engineer for the past 19 years and first vice president of the National Association of County Engineers (NACE), has been appointed assistant director of the Ohio Department of Transportation (ODOT). He will work closely with the 12 ODOT district offices in seeking solutions for local transportation problems.

David L. Weir, ODOT director, who made the appointment, noted, "I have worked with Haddad on several occasions both as a county engineer and a fellow board member with national transportation organizations. I feel he will bring a fresh approach to the transportation department and will be an important part of our management team."

Haddad, a native of Marietta, Ohio, holds a degree in civil engineering from the University of Cincinnati and is a registered professional engineer and surveyor. He has held many offices including County Engineers Association of Ohio president, director and treasurer; American Road and Transportation Builders Association county division president; director, and chairman of the railroad advisory committee; Miami Valley Regional Planning Commission treasurer and vice-chairman.

Haddad has been actively involved in NACE, serving as northeast region vice president, as a member of the Research Committee and on numerous other committees. In 1974 NACE selected him Outstanding Rural County Engineer.

NACo Spells Out CETA Concerns

WASHINGTON, D.C.—NACo last week praised Labor Department efforts to consult on the development of regulations for the new CETA law but voiced concern that some of the thorniest issues remained unresolved.

NACo's comments were part of a letter reacting to the proposed CETA regulations published for public review Jan. 19. NACo's comments incorporated reactions from the NACo membership, the board of the National Association of County Employment and Training Administrators, individual prime sponsors, and state and regional associations of CETA directors. The regulations when published in final form in mid- to late March will be effective April 1 and will govern operation of the program through the rest of the year.

The following are some of NACo's major concerns:

EMPLOYMENT IN ELECTED OFFICIALS' OFFICES

NACo strongly objects to the policy in sections 676.69 (3) and (4) which precludes CETA employment in the offices of legislators, legislative committees or executive officers, and the location of CETA agencies in these offices. NACo feels such a categorical restriction indicates a lack of understanding of local government structure.

A better approach would be to prohibit employment in any position which involves political activities. Local elected officials often have administrative functions which in no way involve political activities.

RESIDENCY WITHIN A PRIME SPONSOR AREA

NACo is still not satisfied with the restrictions placed on the prime sponsors' ability to hire eligible area residents, regardless of residency. NACo has argued that Congress authorized and appropriated funds for use throughout the prime sponsor area with a minimum guarantee for program agent (areas of 50,000 population) area residents, rather than separate allocations for program agent residents and "balance of county" residents. Once the guarantee for program agent residents is assured, then prime sponsors should be allowed to hire eligible residents most in need throughout the prime sponsor area.

Analysis

Outstationing. There are two major problems with the regulations in this area: (1) The administrative arm of a consortium should not be categorically excluded as a hiring agency for the purpose of stationing participants at other worksites. [Section 676.25(c)(3)(ii).] This should be allowed as long as equal benefits and wages of the worksite agency are met and otherwise approved in the grant application by the regional administrator; (2) Restrictions against outstationing of work experience participants should be made more flexible. [Section 676.25(d)(3).]

EQUITABLE SERVICE IN CETA

Current language in the regulations specifies that equitable services should be provided to significant groups (with a 15 percent leeway) based on their incidence in the eligible population. NACo has the following concerns:

- It may lead to serving those not most in need.
- Limited resources would be expended on recruitment, advertising, and outreach which could more productively be used for direct services to participants.
- Data at the local level is often unavailable for these groups.
- The youth OJT hold-harmless provisions often conflict with this requirement.
- It is very difficult to control exactly which groups are served and to what extent.
- The 15 percent (or any percent) deviation only serves to reinforce the quota nature of this policy.

DEFINITION AND POLICY AROUND AREAS OF SUBSTANTIAL UNEMPLOYMENT (ASU)

NACo still objects to the 10,000 population minimum in order to receive funds, but our more serious concern is with the policy and instructions provided to the Employment Service system regarding recertification of ASU areas each year. The process ETA went through this year was very confusing and unfair to prime sponsors. Initially only existing ASUs could be recertified if they still qualified. Recently a change was made to allow for the designation of new or partial ASUs previously certified. The ASU certification process must be standardized so that ASUs are certified anew each year. Clear instructions should go out to prime sponsors and ES offices and prime sponsors should be integrally involved in the identification process.

ADMINISTRATIVE COSTS IN TITLE VII

NACo applauds ETA for the expansion of the "services" cost category in Title VII. Employment generating costs which are clearly beneficial to clients should be charged as services rather than to administration. This change will more accurately reflect the real costs of the program by category and allow for a fairer evaluation of benefits and effectiveness.

NACo urges ETA to make comparable changes in other CETA titles either this year or next. This positive development should not be restricted only to Title VII.

INDEPENDENT MONITORING UNIT

The language in section 676.75(c)(1-3) on the independent monitoring unit is a vast improvement over previous drafts.

However, the basic problem in section (c)(6) is that the language does not allow prime sponsors the authority to determine whether a subrecipient has the administrative capability to establish and maintain an independent monitoring unit. Prime sponsors in some regions have told NACo that the regional office has required each subrecipient to have an independent monitoring unit. The language in (c)(6) should specifically state whether the pri[me] sponsor can determine that a subrecipient ha[s] the capability and, if not, whether the pri[me] sponsor's monitoring unit will also function [as] the subrecipient's independent monitori[ng] unit.

ELIGIBILITY DETERMINATION, VERIFICATION/PRIME SPONSOR LIABILITY

The language in section 676.75(d) regardi[ng] eligibility determination and verification co[n]tinues to lack the definitions NACo has [re]quested to clarify reasonable safeguards, suf[fi]cient care, adequate sample, and adequa[te] documentation. It was NACo's understandi[ng] that the department was either going to furth[er] clarify these terms in the regulations or in t[he] Forms Preparation Handbook. A recent fi[eld] memorandum, which contained the revis[ed] master plan and annual plan chapters to t[he] handbook, did not provide additional guidan[ce] to prime sponsors for developing an eligibili[ty] determination and verification system.

The need for the department to suggest, a[t a] minimum, an acceptable verification mod[el] cannot be overemphasized. NACETA will [be] developing an eligibility determination a[nd] verification system model which they will p[re]sent to the department in mid-March.

INDIRECT COST

The proposed regulations are very uncle[ar] whether CETA sponsors can receive indire[ct] cost reimbursement. Sponsors often co[n]tribute space, supervision, supplies and ut[ili]ties to the program. NACo wants to ass[ure] that prime sponsors can receive some part[ial] compensation for in-kind costs related to op[er]ating the CETA program.

OTHER ISSUES

Other major issues on which NACo co[m]mented include: the complaints and sanctio[ns] process, retirement benefits, the average wa[ge] requirement, maintenance of effort provisio[ns,] training under public service employment, a[nd] excess paperwork.

NACo employment staff will be meeti[ng] with DOL officials over the next month in [a] final effort to modify the regulations.

Counties Asked to Share Fuel Planning

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for gas rationing. At present, DOE is reviewing and analyzing four conservation contingency plans. These include:

- Emergency weekend gasoline sales restrictions, which would permit the department to prohibit the sale of gasoline or diesel fuel during weekends except to commercial or emergency vehicles;
- Emergency parking restrictions, which would allow the department to limit during specified hours the number of parking spaces in employer-provided parking lots and commercial buildings;
- Emergency building restrictions, which would place limits on heating, cooling and hot water in commercial and public buildings;
- Emergency lighting restrictions which would limit the use of illuminated advertising to business hours only and to those signs necessary for identification of the goods and services of a particular business.

GAS RATIONING PLAN

DOE is also completing work on a coupon-based standby gasoline rationing plan. The plan, a revision of the one published in proposed form in the *Federal Register* on June 28, 1978, will be submitted to Congress Feb. 26. While the final plan may differ slightly, it is expected to be substantially the same.

Under the proposed plan, ration checks, redeemable for coupons, would be issued on the basis of motor vehicle registration. DOE would calculate ration allotments based on average annual fuel consumption for each class of vehicle. All passenger cars would receive the same allotment, regardless of fuel efficiency. The ration plan gives priority allotments to essential public services such as fire protection, law enforcement, sanitation, ambulances, mass transportation, and national defense activities.

MANDATORY CONTROLS

If the supply situation deteriorates, then DOE will consider invoking emergency mandatory control programs to deal with the equitable allocation and pricing of scarce fuels, officials note. The standby petroleum product allocation and price regulations published in final form by DOE on Jan. 18 give the department the necessary authority to allocate available supplies of refined petroleum products.

Furthermore, the Standby Crude Oil Allocation Regulations, issued on Jan. 9, provide for four separate progressively broader crude oil allocation systems which attempt, where possible, to allocate supplies between large and small refiners on an equitable basis.

NEED FOR COUNTY ACTION

During the height of the energy crisis in 1974, many county governments were deluged with requests from retailers, businessmen and private citizens for assistance in obtaining adequate fuel supplies. A continued shutdown of the Iranian oilfields may signal a return to periods of shortage, and new demands for assistance. In 1974, counties were involved in a number of fuel emergency activities, including petroleum retail sales and oil allocation.

With the prospect of new energy shortages, and the corresponding demands which will inevitably be made on local governments by residents, the state, and the federal government, it is essential that counties develop contingency plans and standby measures to provide for the health and welfare of their citizens.

DOE SECRETARY—Department of Energy Secretary James Schlesinger told the Senate Committee on Energy and Natural Resources last week that if Iranian oil production does not resume shortly, "we will not be able to build our oil inventories for next winter's season." DOE officials warn that continued drawing on inventories of crude oil could result in spot shortages of oil fuels and/or price increases by spring or early summer.

Currently, NACo is gathering information on county experiences in planning for fuel emergencies. If your county has such a plan, please send either a copy or description to the Energy Project at NACo. If your county needs information on contingency planning, contact NACo and we will provide you with the information we have on the experiences of other counties.

Interested county officials should plan to attend the special panel session on allocations and rationing, which will be held on Tuesday, March 13 at NACo's Legislative Conference.

—Don Spangler
NACoR Energy Project

Wilderness and PILT Focus of Conference

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the wilderness studies now under way. But he also noted that he had an obligation to listen to all of the people throughout the country even if they were not directly affected by the wilderness proposals.

Zane Smith, U.S. Forest Service, gave the status of the Forest Service's RARE II roadless area review recommendations to Congress. He indicated that more than 15,000 acres of wilderness have been proposed. Delegates at the conference adopted a resolution calling for no more wilderness to be carved from commercial forests because of the inflationary impact of a reduced timber supply and the economic impact on counties dependent on the timber industry.

Other resolutions adopted at the WIR business meeting:

- Supported limiting wilderness in Alaska to the 80 million acres called for in the Alaska Native Claims Settlement Act and protested use of the Historic Sites and Antiquities Act which created 57 million acres of wilderness in Alaska without a vote of Congress.
- Supported full funding of the Payments-in-Lieu of Taxes Act to provide $108 million in federal payments to more than 1,500 counties to make up for the tax immunity of federal natural resource lands.
- Opposed the transfer of the U.S. Forest Service from the Department of Agriculture.
- Supported loans to counties affected by energy development.
- Called on Congress to transfer most of the federal land holdings to the respective states.
- Called on Congress to provide financial assistance for counties to meet federally mandated county jail standards.
- Opposed a repeal or modificat[ion] of the 1972 Mining Law.
- Asked that the National P[ark] Service work with counties to deve[lop] locally acceptable controls for priv[ate] holdings within national parks.
- Asked Congress to establish [fair] and equitable grazing permits [on] federal lands.
- Favored the proposed Sugar S[ta]bilization Act to provide sugar pr[ices] fair to the consumer and the su[gar] industry.

Elected as officers for the NA[Co] WIR for 1979-80 were Preside[nt]-elect Cal Black, commissioner, S[an] Juan County, Utah; First Vice Pr[esi]dent-elect Abe Aiona, councilm[an], Maui County, Hawaii; Second V[ice] President-elect Tracy Owen, coun[cil]man, King County, Wash.

Previous meetings of western co[un]ties have been held from 1941 [to] 1953 as the Interstate Associatio[n of] Public Land Counties; 1954 to 1[...] as the NACo Western Region D[is]trict and for the second year as [the] Western Interstate Region, a me[rger] of these two organizations.

The WIR will hold its next an[nual] conference in Ada County (Bo[ise]) Idaho in April 1980.

Energy Guide

Counties caught between ri[sing] administrative costs and pu[blic] pressure to reduce spending are [ex]ploring means to increase effici[ency] of present operations. To meet [this] need, *A Guide to Reducing En[ergy] Use, Budget Costs* has been printed.

The guide provides county offic[ials] with an excellent starting place [in] their efforts to reduce energy co[sts]. Copies can be obtained from NACoR Energy Project.