This Week
Full Text of Urban Policy Message to Congress, Pages 13-15.

COUNTY NEWS

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

NACo
Washington, D.C.

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WHERE'S AID GOING?

Urban Policy Sparks Sharp County Retort

WASHINGTON, D.C.—NACo President William O. Beach reacted sharply to President Carter's national urban policy, calling it a "misnomer" because it ignores the nearly 60 percent of the nation's urban dwellers who live outside central cities.

Urban county officials, who joined Beach and NACo Executive Director Bernard F. Hillenbrand at a March 27 White House briefing, expressed dismay that the urban policy, including some $30 billion in existing federal funds and $8.3 billion in a new combination of grants and loans, might target aid primarily to central cities rather than urban areas in general. The briefing was conducted by HUD Secretary Patricia Roberts Harris and Presidential Advisor Stuart Eizenstat prior to the President's announcement.

Beach has called an emergency meeting of NACo's Executive Committee, steering committee chairmen and Urban Affairs Committee for April 12 to fully analyze and respond to the policy.

Hillenbrand summed up county reaction by saying that NACo was less concerned with the targeting of the policy's new initiatives, since NACo will have an opportunity to modify them as they are debated by Congress. "What does concern

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Urban Policy Highlights

WASHINGTON, D.C.—President Carter unveiled his long awaited National Urban Policy last week containing major changes in existing programs and an $8.3 billion package of what he termed new initiatives.

According to the White House, no precise formulas have yet been worked out to show exactly where that new aid would be directed. Nor was there a detailed list of the changes to be made in existing programs.

However, language in the various reports on the policy referring continually to "cities" without a single mention of the word "counties" left NACo's leadership with the distinct impression that the policy is directed primarily at distressed central cities, possibly at the expense of distressed urban counties.

OVER 160 CHANGES are proposed to be made in 38 domestic programs intended to make them more supportive of urban areas and to redirect existing federal resources to distressed areas within them. These changes grew out of an analysis performed by a federal interagency Urban and Regional Policy Group, appointed by President Carter a year ago and chaired by Housing and Urban Development (HUD) Secretary Patricia Roberts Harris.

In the future, urban area program coordination would be carried out by an "Interagency Coordinating Council," directed by a soon-to-be named White House staff person, and composed of the assistant secretaries with program responsibilities in key urban departments. In addition, each federal department is directed to provide a "Community Impact Analysis" when it proposes new legislation as to how it affects communities within urban areas.

Among the new initiatives are a three-year, $3 billion program of "soft public works." This labor-intensive program would provide funding to communities with high unem-

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BRIEFING STUNS OFFICIALS—County officials caucus outside the White House after the briefing on the President's urban policy March 27. Seen from left are: Phil Elfstrom, board chairman, Kane County, Ill.; Alfred Del Bello, executive, Westchester County, N.Y.; NACo President William O. Beach, Montgomery County, Tenn.; NACo Executive Director Bernard F. Hillenbrand; Daniel T. Murphy, executive, Oakland County, Mich.; Terrance Pitts, supervisor, Milwaukee County, Wis.; and John V.N. Klein, executive, Suffolk County, N.Y. Not shown are John Franke, commission chairman, Johnson County, Kan., Gerald Fisher, board chairman, Albemarle County, Va., and James Scott, supervisor, Fairfax County, Va.

Partnership or Urban War?

County Opinion

Has the federal government launched an urban policy? Or a big city strategy that will pit each city against all other cities and against its own county and state governments and even against its own neighborhoods in a fierce war over "targeted" or "reoriented" resources?

NACo's president and chairmen of our steering committees left the March 27 urban policy White House briefings with doubts and disbelief. Our President William O. Beach has called an emergency meeting of the Executive Committee and NACo's urban affairs leadership for April 12 here in Washington to fully analyze the policy and air our profound concerns.

HUD Secretary Patricia Harris and HUD Assistant Secretary Robert Embry conducted the first briefing. They made it absolutely clear that their interpretation of the urban policy was that funds, programs and resources were going to be "targeted to distressed cities." Questioning revealed that these distressed cities have not been identified, although four computer runs had been analyzed and for some reason each formula for identification was rejected.

During that entire briefing the word county was not mentioned one single time until Beach raised a question about countywide school systems' participation in education programs.

Presidential Assistant Stuart Eizenstat then gave an impressive briefing on the President's new initiatives. Later in the afternoon President Carter articulated these new initiatives to our leaders.

The text of the President's message to Congress appears on pages 13-15. The President's "new initiatives" (soft public works, housing loans, the National Development Bank, and tax incentives) requiring congressional action appear to be worthwhile. NACo leadership will consider them carefully. We will participate vigorously in the democratic give and take in Congress on these initiatives and others requiring legislation.

Our problem comes with the President's first proposal which states:

"To improve the effectiveness of existing federal programs by coordinating these programs, simplifying planning requirements, *reorienting resources*, and reducing paperwork."

It is this business of reorienting resources that is so enormously troubling.

The implementation of this paragraph is apparently to be done by an interagency coordinating council. That is to be composed of appointed assistant secretaries of departments that have major responsibilities in the key urban departments.

This is the same group, the urban and regional policy group (URPG), that worked for 53 weeks to produce a 137-page urban policy that does not mention the word county one time, nor does it mention a distressed county.

The words "suburb" or "suburban ring" are identified 17 times in this document and in every case negatively.

It is absolutely clear that this document reflects the attitude of the people who prepared it that urban policy should be directed to an unknown number of distressed cities.

There is not one single recognition in this document that counties are the principal delivery agents of some of the most vital core city services such as welfare, health, day care, employment, community colleges, mental health and dozens of complex human services to the poor.

The President also announced: "Our review generated a large number of proposals for changes in existing programs. Some will require legislation; others can be done through administrative action. There are more than 150 of them. Let me mention a few.

- "The Defense Department will set up new programs to increase procurement in urban areas.
- "EPA will modify its water and sewer program to discourage wasteful sprawl.
- "The General Services Administration will have as a goal retaining facilities in urban areas and putting new ones there."

NACo has requested and has not yet received an identification of the "more than 150 improvements in existing programs" mentioned in the President's message to Congress.

And that is the gut issue. The President's new initiatives if enacted by Congress will result in only $749 million of new outlays in fiscal '79. This sum of money could be spent just building much-needed parks in any large American central city and you would hardly notice it.

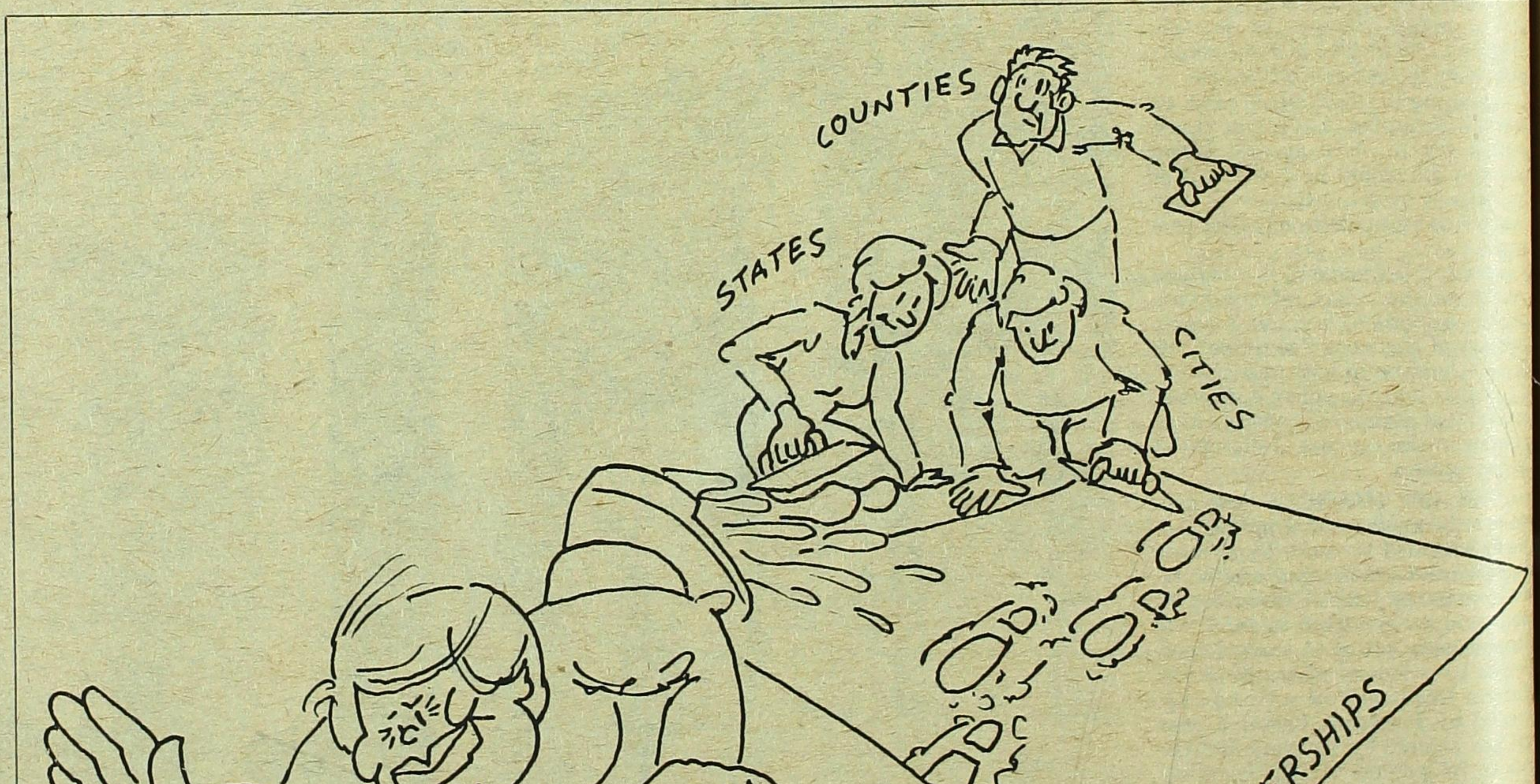
If the Carter urban policy is going to be targeted to large central cities, then it becomes obvious that the money is going to have to come through redirecting the $30 billion of federal funds that already flow to state and local government in existing grant-in-aid programs.

Is Congress going to be consulted about these administrative changes? Will the congressional committees that have oversight of federal procurement, environmental protection issues and defense policies have an input into these decisions?

Who ultimately is going to decide on the "reorientation of resources"? Anyone who has had any dealings with the federal government knows how easy it would be to avoid congressional review and arbitrarily redirect money through hundreds of bureaucratic techniques such as arbitrary rules and regulations, constantly changing requirements, endless delays and insistence on such nebulous things as overall plans.

If there is going to be massive reorientation of resources to distressed cities, Congress and the American public ought to understand what those distressed cities are, what funds are going to be reoriented and what communities or programs are going to be reoriented out of their present funds.

Secretary Harris said that she had no intention of robbing St. Petersburg to pay St. Paul. The public is entitled to know whom is going to be robbed and if St. Paul is to be a distressed city.



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Urban Policy Highlights

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ployment to renovate or rehabilitate public facilities. One half of the jobs created under the program will be reserved for the long-term unemployed referred through the Comprehensive Employment and Training Act (CETA) system. A 10 percent local match would be required.

The policy calls for the creation of a "National Development Bank," jointly operated by the Departments of Treasury, Commerce and Housing and Urban Development, to provide grants of up to 15 percent (or $3 million) and loan guarantees as incentives to firms agreeing to locate in distressed areas.

Funding for the Section 312 Rehabilitation Loan program is proposed to be increased next year by $150 million, in addition to the $125 million already proposed in the fiscal '79 budget, and the Economic Development Administration's Title IX Job Opportunities Program and HUD's Urban Development Action Grant program are slated for increases of $275 million each.

The countercyclical antirecession program is proposed to be replaced after its current expiration date of Sept. 30 by a Supplemental Fiscal Assistance Program which would provide $1 billion for each of the next two fiscal years to local governments experiencing fiscal distress. In contrast with the previous countercyclical program, state governments would not be eligible for these funds and it would not be triggered by the national, but rather local, unemployment rate.

The states are expected to take a more active role in helping distressed areas within them. The policy proposes a $200 million incentive program which states would compete for on the basis of plans reorienting their own and federally controlled resources toward distressed urban areas. The plans would address local government taxing powers, annexation and the placement of major development investments.

Other incentives include:

- The fiscal relief provisions of the Administration's welfare reform proposal would be instituted immediately upon passage of welfare reform legislation, rather than waiting until fiscal '81 as originally scheduled.
- $150 million in grants to rehabilitate and maintain urban parks and recreation facilities.
- A targeted $50 million Social Service Grant Program to improve social services in areas of high concentrations of poor people (those with incomes below 115 percent of the state median income).
- An inner city health initiative providing an additional $50 million under the Community Health Center program.
- $25 million in air quality planning grants to consortia of local governments to help them improve air quality without severely limiting new development. Communities would be permitted to "bank" reductions in air pollution from one source and apply it as an offset to new development.
- Expansion by $1.5 million of the "Cities in Schools" project to assist families and students in troubled schools.
- $200 million for intermodal transit programs to build new transit facilities, pedestrian transit walls and joint public-private development around transportation stations.
- $15 million to 15-30 cities for feasibility and design studies for solid waste resource recovery systems.
- $60 million to neighborhood organizations, including a $15 million neighborhood self-help program aimed at housing and neighborhood revitalization, a $40 million Urban Volunteer Corps to match the skills of volunteers with the needs of neighborhood organizations and $10 million crime prevention program to get citizens involved in crime prevention. These programs would require local government concurrence.
- $20 million to provide venture capital to Community Development Corporations created by the Community Services Administration.
- $20 million "Livable Cities" program to support state and local government neighborhood and community-based arts program.
- A targeted Employment Tax Credit program giving private sector employees a tax credit for hiring young CETA referred workers.
- A differential tax credit for companies constructing new or expanding existing facilities within distressed urban areas.
- New federal facilities would be located, on a priority basis in central cities.
- A soon-to-be announced consolidation of interagency planning requirements leading to joint federal-aid applications, particularly in the community and economic development areas.

In discussing the policy, White House aides pointed out that the new Urban Policy is designed to stop suburban sprawl by redirecting federal resources and policies to existing communities rather than new ones. It would do this by targeting limited federal resources toward places in distress.

Legislation containing the policy's new initiatives is expected to be sent to Capitol Hill shortly.

A Partnership with a Deaf Ear?

A Background Report by

Bernard F. Hillenbrand, NACo Executive Director

It is unclear whether President Carter has any desire for county participation in his new urban policy entitled: "New Partnership for Conserving America's Communities."

The President led off his urban policy report to the nation with these words, "Twenty-one months ago, I went before the United States Conference of Mayors in Milwaukee to say that if I became President, the cities in our country would have a friend, an ally, a partner in the White House.

"I come before you today to affirm that friendship—to cement that alliance—and to give form and substance to that partnership."

NACo has since been advised that counties are to be in the definition of "communities." Does that place counties in the partnership?

Back to Square One

It appears we are back to square one trying to make the Administration understand that communities are not governments—that counties are governments. And counties provide services to communities. The enormously blighted and depressed community of Willowbrook in Los Angeles County is a community. It is not a government. Willowbrook community is part of Los Angeles County and if meaningful resources are to be targeted to problem areas, they will have to be targeted to that problem area through Los Angeles County.

We find it hard to believe that counties are not clearly mentioned in the urban policy, that counties might not be considered by this Administration to be part of the state and local government partnership. And we find it even harder to believe that the Administration has had such a deaf ear. We sat at the urban strategy sessions, we analyzed the drafts, we worked together. The history of our participation in the policy follows:

NACo's steering committee chairmen collectively met with Secretary Patricia Roberts Harris last September in what she called one of the most useful input sessions on the urban policy. The rapport between urban county officials and the HUD-directed interagency group responsible for developing the urban policy continued throughout last fall and winter.

During those meetings, we stated our position firmly and clearly. We said that the nation can no longer afford to ignore the plethora of ills plaguing our urban citizens.

Al Del Bello, the former mayor of Yonkers and current Westchester County (N.Y.) executive, and his urban colleagues were at the forefront of efforts to bring some order to urban America.

NACo Supports President

NACo strongly supported the Presidential Executive Order instructing Harris and her departmental colleagues to develop an urban policy. Our leaders offered any necessary staff resources of the association to the effort.

Our officers and steering committee chairmen met at the White House with Secretary Harris and the staff of presidential assistant Stuart Eizenstat.

We agreed with the Administration that it was time to target direct aid to the most distressed urban areas.

In fact, we had no problems with direct aid for central cities. The residents of those cities, afterall, are county citizens. County governments pick up the costly tab for their welfare, health and social services. In many places, counties run the public transit, the housing developments, the employment programs, and the bulk of the criminal justice system. Such services are directed as much to inner city residents as suburbanites.

But counties also represent the poor and needy in urban areas outside central cities. We warned the Administration that language referring to "cities and people in distress" inferred that distress or distressed people are found only in cities and that city government is the only unit of government responsible for solving the problems of these people.

First Disaster

But the first draft of the urban policy called "Cities in Distress" was a disaster. The reactions of mayors, governors and county officials were strong and all negative, and the draft was rejected out of hand by the President.

Back to the drawing boards. In what must be a model of openness and candor, NACo initiated constant dialogue with Eizenstat.

We told him the first draft blithely ignored today's urban corridors where pockets of poverty, high unemployment, inadequate housing and other urban diseases spill beyond municipal boundaries.

And we gave examples, such as the 10 areas out of 55 where the Brookings Institute said the problems of the suburbs outweighed the problems in the core city.

In short, we asked for an equitable urban policy—one that would target aid to distressed people, regardless of whether they lived inside or outside precise city limits.

Everything during those early meetings seemed to be on track. We thought the Administration was listening. Imagine our shock when we discovered that the final report by the Harris group was much like the first—an anti-suburban document. Again we objected.

On March 27 the urban policy was to be announced. An 11 a.m. White House news briefing released a document entitled "New Initiatives for Conserving America's Communities. The language in this report was somewhat more favorable. It referred to "cities and communities," "cities and local governments," or "urban areas." And it contained some creative ideas for new programs.

NACo President Bill Beach and eight of our steering committee chairmen were invited to attend a 1 p.m. briefing for mayors and county officials by Secretary Harris, Assistant Secretary Robert Embry and Presidential Aide Stuart Eizenstat, followed by a Presidential briefing at 4 p.m.

We hoped our concerns would be laid to rest during the 1 p.m. briefing. Instead, our county officials came away incensed.

"Damn the Suburbs"

The tone of the briefing was "damn the suburbs." The theme was "distressed central cities." The promise was that the existing $30 billion in federal grants to state and local governments would be redirected in a massive way to distressed cities.

What distressed cities? Name one, we asked. We were told that no formulas had been drawn up yet.

A few White House spokesmen intimated to county officials in private that our concerns were unfounded. The word "city" was only a matter of semantics, they said, and actually referred to urban areas in general. They said that the language in the HUD report had been considerably broadened by the President. Listen to the President's speech and read his message to Congress, we were told. That would be the real test.

So we listened to the President's speech and we read his message to Congress. In the first paragraph of that message, Carter said the urban policy represents "a comprehensive, long-term commitment to the nation's urban areas." Fine.

But the next paragraph said the policy is a major effort to "make America's cities better places in which to live and work" and that the policy is aimed at "making cities more healthy and improving the lives of the people who live in them."

In essense, our alarm reached new heights. Our central question remained: Was the new policy a *city* policy or an *urban* policy?

Strong Criticism

So we reacted strongly and quickly. We issued a major press statement criticizing the President's plan for ignoring those 60 percent of urban dwellers—many of whom are very much distressed—who live outside central cities.

Given the fact that we had no precise formulas by which to evaluate what money and what exact programs would be redirected, we could judge only by the rhetoric. And one thing struck us. In none of the various reports floating around, nor in the President's speech, nor in the message to Congress, was the word "county" ever mentioned a single time.

Time and time again, we have watched legislation—where county involvement in a program is obviously intended but not concretely spelled out—pass Congress only to have our involvement butchered by the federal agencies that write the rules.

History has taught us that, unless we want a major fight on our hands, county participation must be spelled out from the conception of a program until it is fully enacted.

Partnership That Works

We would like to call the President's attention to real working partnerships. They exist for example in full vigor in the New Coalition where governors, mayors, county officials and state legislators are in constant partnership for very high priority urban goals such as health care and fiscal relief.

They exist on a day-in, day-out effective basis in partnerships between other national associations of public officials in matters of vital concern to the Administration and to urban America such as welfare reform.

By instituting a deliberate policy of administrative targeting of resources at the whim of administrative officials, the Administration will and already has caused tensions and stress in those relationships.

NACo has argued that counties are not like a doughnut with a hole—the central city—in the middle. Counties *serve all* the people in a county.

It is alarming that this Administration could spend a year in constant contact with the whole spectrum of governmental programs and not understand that in most urban centers the government that comes most intimately in contact with the daily miseries of the disadvantaged poor in America's slums are county officials. Counties administer the nation's welfare program and the overwhelming number of these recipients are in core cities.

Point of View

Reshuffling the Chaos

by David S. Broder

EDITOR'S NOTE: This article is reprinted with permission from *the Washington Post.*

'So what came back was "10 recommendations supported by 38 strategies,"...plus 160 suggestions for improving old programs left scattered in five agencies—in short a smorgasbord.'

There was something terribly sad about the Good Friday briefing on President Carter's urban policy—something that tells you a great deal, not only about the inability of this president to achieve his goals, but about the inherent frustrations of a governmental process so big and complex as to overwhelm almost anyone.

When Patricia Roberts Harris, the Secretary of Housing and Urban Development, and Stuart Eizenstat, Carter's top staff assistant for domestic policy, came into the briefing room in the Old Executive Office Building, the rumors were already flying through town that Carter had all but axed the program earlier in the day.

The rumors were not confirmed until later that evening. But as you listened to Harris and Eizenstat wend their conscientious way through the intricacies of the proposals, you could see why Carter had thrown up his hands in horror 10 hours earlier—before relenting and allowing them to persuade him it was the best package they could devise right now.

MORE THAN a year ago, the President had asked Harris to assemble an interdepartmental task force and examine what the federal government was doing to or for the cities and what it ought to be doing. What he had in mind was to sort through the more than $30 billion a year of federal aid already pouring into the cities through scores of separate, ill-coordinated federal spigots; find what was working and what wasn't; and rechannel that assistance in ways that made sense.

What he got was something quite different. Harris's interdepartmental committee, tabbed with an acronym that was ugly even by Washington standards, URPG (for Urban and Regional Policy Group), proved mainly to be a device for protecting every program of every agency represented.

Carter rejected their first-draft proposal last fall as an impossible "wish list" and ordered them again to reexamine critically what the government was already doing. Maybe that would have been done if he had really pushed them.

But he was busy lobbying for his Panama Canal treaties and energy bills, struggling with the coal strike, worrying about Menachem Begin and a hundred other urgent matters. And in his kind of cabinet government, with a weak White House staff, even as able an aide as Eizenstat has little authority to crack the whip on the President's behalf.

SO WHAT CAME back was "10 recommendations supported by 38 strategies," or maybe 10 strategies supported by 38 recommendations, plus 160 suggestions for improving old programs left scattered in five agencies—in short, a smorgasbord.

None of the 160 recommendations call for eliminating any single existing federal program—despite the almost universal acknowledgement that some of them are real losers. Instead, the recommendations guarantee more bureaucracy, regulations and frustrations for local officials.

For example, the Title II business development loans of the Economic Development Administration contributed only $55 million of aid this year. The evaluation says the basic legislation "imposes inconsistent requirements on EDA and on borrowers, making the program difficult to use." It also says the "program administration has been too conservative, and long delays and difficulties are imposed on potential borrowers."

DOES THAT MEAN it should be scrapped or merged with other programs to provide a meaningful fund of economic development capital? No way. Instead, the recommendations call for "tougher" guidelines, tightened selection criteria, and those other bureaucratic favorites, "close linkages and focused coordination" with other "infrastructure programs."

And so it goes. That result might have been avoided if the urban aid study had been linked to a basic reorganization and consolidation of the government's scattered economic development programs, as some recommended. But Carter is already committed to one major reorganization fight—on civil service—and no one thought he had enough time, energy or political capital to take on another one.

Instead of resolving the jurisdictional and bureaucratic struggles, this new proposal compromises and compounds them. The new development bank for urban industry was fought over by Treasury, Commerce and HUD. Solution: Make it an interagency bank, with all three departments represented equally on the board. The guaranteed effect: a slowdown of its ability to make loan and grant commitments.

INSTEAD OF naming a White House staff coordinator for urban programs, as the mayors wanted, there will be an interdepartmental committee of assistant secretaries. At briefing time, no one knew who would run it. Rumors were that Midge Costanza and Jack Watson, two Carter aides struggling for larger influence, were maneuvering for the job.

By five o'clock, an hour after the briefing had begun, Eizenstat had reached the point where he was reading off the list of little programs awarded each agency as a payoff for its participation in the whole ghastly process: social service and health money for HEW; urban parks for Interior; Transportation Department money for "intermodal connections"; solid waste grants for EPA; "mini-grants" for ACTION; arts money for Joan Mondale's friends; and neighborhood grants for Rosalynn Carter's favorites in the bureaucracy.

When it was finally over, a HUD official who had struggled to make it what Carter wanted stood on the curb, shivering in the cold wind, waiting for a lift to a speaking date. "You know," she said, "you ride around everywhere in these government cars, and you never find out what the weather is like outside." The same, sadly, might be said of government itself.

Counties Reaction to Urban Policy

Continued from page 1

us very deeply is the prospect that many existing programs are going to be changed by administrative fiat without the opportunity for full public discussion," he said.

The officials attending the White House briefing included: James Scott, supervisor, Fairfax County, Va. and Community Development Steering Committee chairman; Alfred Del Bello, executive, Westchester County, N.Y. and Urban Affairs Committee chairman; Philip Elfstrom, chairman of Kane County (Ill.) Board and Criminal Justice and Public Safety Steering Committee chairman; John V.N. Klein, executive, Suffolk County, N.Y. and Employment Steering Committee chairman; Terrance Pitts, supervisor, Milwaukee County, Wis. and Health and Education Steering Committee chairman; John Franke, chairman of Johnson County (Kan.) Board of Commissioners and Labor-Management Steering Committee chairman; and Gerald Fisher, chairman of Albemarle County (Va.) Board of Supervisors and Land Use Steering Committee chairman; and Daniel T. Murphy, executive, Oakland County, Mich. and Transportation Steering Committee chairman.

"We are pleased that the Administration has recognized the problems of county citizens who live within central cities," said Beach. "But the Administration's own statistics reveal that the majority of urban residents live outside central cities."

Hillenbrand pointed to the nation's largest urban county, Los Angeles, as an example. "Across the street from Watts is the Willowbrook area whose 150,000 residents live in conditions virtually indistinguishable from Watts," he said. "Yet Willowbrook is not an incorporated city and could be ineligible for assistance if federal aid is limited to 'distressed cities.' "

THE POLICY proposes to target a new $1 billion "soft public works" program for renovation and rehabilitation of public facilities, a Supplementary Fiscal Assistance Program (which replaces the Countercyclical Antirecession Program), additional economic development, urban development action grants, health and social service grants based on criteria measuring distress. How distress will be determined and whether urban counties could qualify is unclear.

The urban policy also includes an incentive program to induce the states to take a more active role in dealing with urban areas through the formulation of urban development plans. "We support a more active state role," said Elfstrom, "so long as states are induced to respond to the problems of all local governments within their urban areas, not just distressed cities."

Del Bello noted, "The Congress has worked for years to unite cities and counties in developing solutions for urban problems. The President's policy could sever that cooperative relationship."

"While the urban policy purports to be a new partnership," added Pitts, "in reality it has the potential of putting central cities and their suburbs in unhealthy competition for limited federal resources."

Klein emphasized, "What the Administration has failed to recognize is that the flight from the cities into the high-density suburbs has brought the problems of the cities into the suburbs. Poverty, unemployment, inadequate housing, pollution and crime do not stop at municipal boundaries."

Scott expressed surprise that the urban policy failed to take account of, much less mention, the increased responsibility which urban counties have assumed in such areas as employment and training, housing and community development.

"URBAN COUNTY responsibility was insisted upon," he said, "by Congress in both the Comprehensive Employment and Training Act (CETA) program and the Community Development Block Grant Program."

Counties Say: Help Rural Areas

WASHINGTON, D.C.—Rural county officials called on the Administration and the Department of Agriculture to come forward with new programs to aid the people of rural America. Testifying on behalf of NACo before the House Agriculture subcommittee on family farms, rural development, and special studies were David Pribble, county judge, Pendleton County, Ky. and Robert McNichols, county administrator, Pulaski County, Va.

The hearings, held last month, focused on the Rural Development Policy Act of 1978, H.R. 10885, and the Rural Community Development Act of 1977, H.R. 9983.

"We are deeply concerned and extremely worried about the status of rural development policy in our nation. There are no broad striking programs being sent to Congress to address the needs of rural America. The needs of rural America cannot be ignored," the county officials told the subcommittee members.

Rep. Richard Nolan (D-Minn.), who chairs the subcommittee, and Rep. Charles Grassley (R-Iowa), sponsored the Rural Development Policy Act of 1978. The bill would establish a Federal Rural Development Council to coordinate the wide range of rural development programs administered by the various federal agencies. It would make the Secretary of Agriculture chairman of this council, emphasizing his role as a rural development advocate within the federal government.

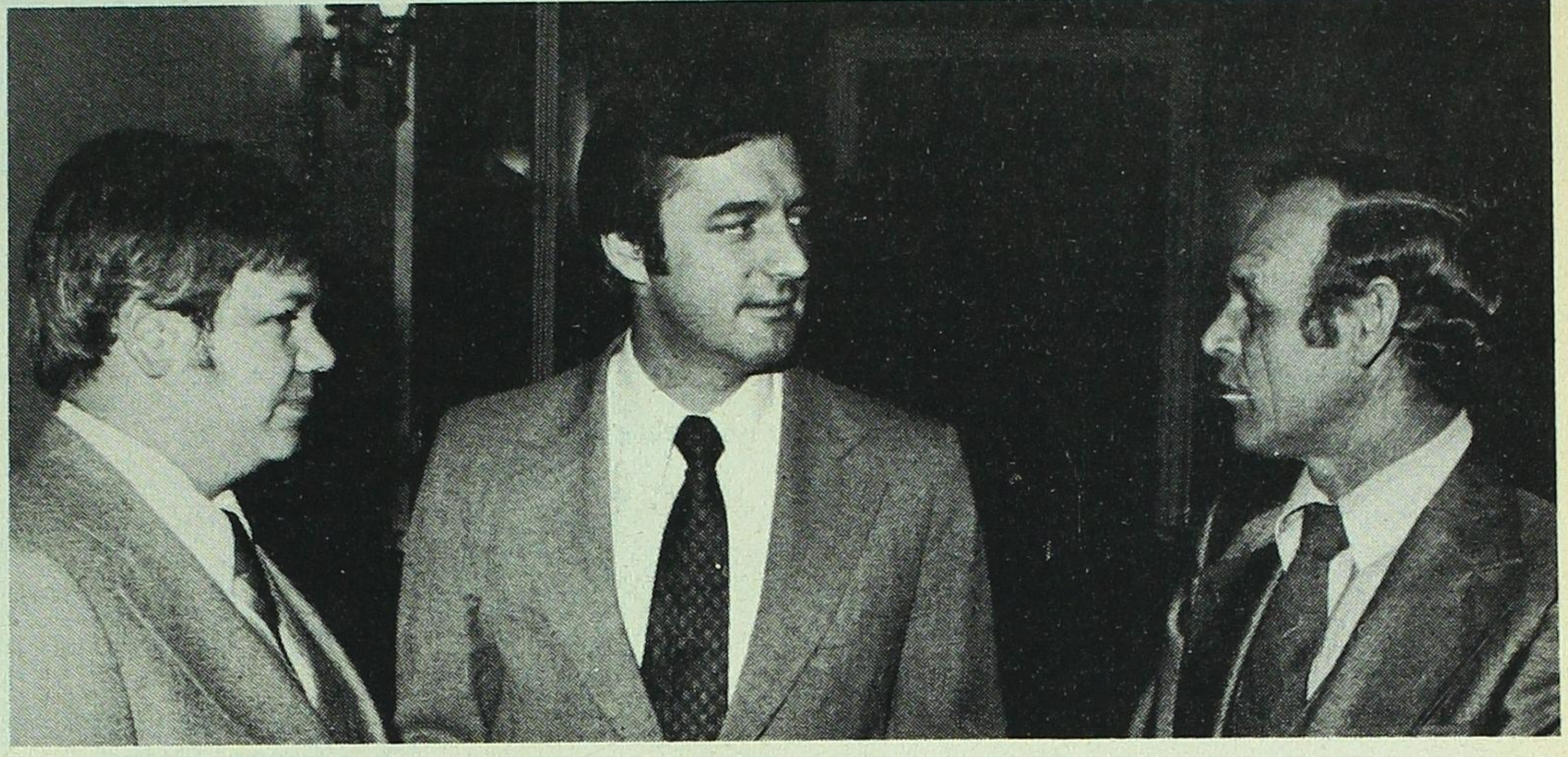
THE LEGISLATION would also increase the authorization for rural development planning grants from its present $10 million level up to $50 million. Not more than 10 percent of this planning appropriation each year could go toward funding the Federal Rural Development Council.

County officials urged the subcommittee to link the distribution of these planning funds to the development activities in rural communities.

"Local planning must be assisted. It is far more efficient, for both counties and the federal government, if we can effectively plan and coordinate our development activities. Waste and needless duplication will be avoided," Pribble and McNichols stated. They urged the subcommittee to mandate that funding priority go to those local governments with the power to implement programs.

Reps. Grassley and Nolan also sponsored legislation (H.R. 9983) establishing a separate block grant program for nonmetropolitan communities, thus dividing up the existing program of the Department of Housing and Urban Development (HUD). The bill would, in effect, transfer about 20 percent of the HUD community development program to the Farmers Home Administration (FmHA).

In addition, the proposal would establish the nonmetropolitan program for communities of 20,000 or less. Thus, a rural county whose population exceeded 20,000 would automatically be excluded and forced to compete for a reduced urban share of funds.



Rep. Richard Nolan (D-Minn.), center, chairman of the House subcommittee on family farms, rural development, and special studies, hears the views of David Pribble, county judge, Pendleton County, Ky., right, and Robert McNichols, county administrator, Pulaski County, Va.

NACo has raised policy questions with regard to splitting the HUD development program and the implications for a national development policy and future funding. Furthermore, any future proposal should reflect the responsibilities and rural character of counties whose population is above 20,000 and the artificial restriction should be eliminated, said the officials.

PRIBBLE AND McNichols urged the committee to consider the two pieces of legislation separately. They said that NACo strongly supports the Rural Development Policy Act of 1978 and urges prompt action, but that the Rural Community Development proposal requires careful analysis and should be considered in conjunction with the Banking, Finance and Urban Affairs Committee.

The NACo witnesses also addressed the FmHA water and waste disposal program. They stressed the value of this program for maintaining the economic vitality of rural America and for stimulating jobs. Although the current level of funding is the highest ever at $250 million, the current waiting list is greater than $620 million.

The subcommittee will continue action on these two measures in April. In the Senate, a companion Rural Development Policy Act is expected to be introduced shortly.

Elliott A. Alman

House Panel Asked to Continue Assistance for Rural Housing

WASHINGTON, D.C.—Citing statistics which show that 60 percent of the nation's substandard housing is located in rural areas, Commissioner Francis Kuntz of Elk County, Pa. called for a one-year reauthorization of all the Farmers Home Administration (FmHA) housing programs. He appeared recently before the House housing and community development subcommittee.

"An increasing number of our rural families are being priced out of the housing market. As rural county officials, we have an obligation to ensure that the residents of our community may secure adequate housing at reasonable costs. To meet this obligation, continued federal assistance is critical," he said.

KUNTZ URGED the subcommittee, in their consideration of reauthorizations, to incorporate key provisions of the Rural Housing Act of 1977. That legislation, which is sponsored by Reps. Stanley Lundine (D-N.Y.) and Les AuCoin (D-Ore.), has been reintroduced as H.R. 11712, the Rural Housing Act of 1978.

The Rural Housing Act would create a new homeownership subsidy for low and moderate income persons. The program would enable larger numbers of rural residents to obtain adequate housing, would stimulate construction of new housing and would expand job opportunity in the rural economy.

The program would employ a "recapture provision" by which homeowners purchasing a house would repay a portion of the federal subsidy after selling the home. A formula would be used that would encourage long-term occupancy and improvement of the property while avoiding windfall profits at the government's expense.

Kuntz also supported implementation of the above-moderate income guaranteed housing program and substantial increases in housing for the elderly.

Although the Administration is supporting reauthorization of most of the rural housing programs administered by FmHA, it does not plan to continue the program which provides loans to rural families whose income is between $15,600 and $20,000. These loans would be provided only in those rural communities where sufficient housing credit is not available from private lenders. Congress has provided $900 million for this program in the current fiscal year.

"ONE OF OUR major concerns, and major disappointments, has been the above-moderate income guaranteed housing loan program," Kuntz told the subcommittee. "The Administration has chosen not to implement this program, a decision it made without consultation with Congress, without taking effective steps to meet the need that now exists, and without conferring with rural officials who represent those people who now cannot benefit from the program."

Since guaranteed and insured loans are not covered by the Budget and Impoundment Control Act of 1974, Congress does not have an opportunity to reverse the Administration's decision.

Section 14 of the proposed Rural Housing Act of 1978 would require these loans to be treated as budget authority for purposes of the Budget and Impoundment Control Act. This would mean the submission of a formal deferral or recision message to Congress on the program, and Congress would then have the opportunity to reverse the decision and mandate implementation.

Another program, which has proven successful in assisting the elderly, is the Section 504 Home Repair Grants and Loans. However, its success has resulted in a level of demand far in excess of the funding available. For fiscal '77, FmHA received 7,398 applications requesting more than $17 million. Only $5 million was available. Kuntz recommended an authorized level of $100 million.

The subcommittee will convene in early April to continue action on the rural housing authorization. The Senate subcommittee on rural housing, chaired by Sen. Robert Morgan (D-N.C.), is also expected to act during April. For additional information on rural housing, contact Elliott Alman of the NACo staff.

Elliott A. Alman

Elk County (Pa.) Commissioner Francis L. Kuntz testifies before a House panel on rural housing and community development.

FLOOR ACTION SOON

Bills Contain Rural Development Gains

WASHINGTON, D.C—Significant changes that will aid rural counties are contained in the Agricultural Credit Act of 1978, H.R. 11505. The Senate Agriculture committee recently reported out companion legislation to amend the Rural Development Act, S. 2146.

Title I of the House Agricultural Credit Act provides for:

• Increased funding level for water and waste disposal grants from $300 million to $400 million a year.

• Elimination of the legislatively imposed 50 percent ceiling on grants as a percentage of project cost, placing the new ceiling at 75 percent.

• Deletion from the original Administration proposal of a provision that would virtually double the interest rates on rural development loans. The level will remain at 5 percent.

In Senate action the subcommittee on agricultural credit and rural electrification dropped provisions to boost interest rates on rural development loans. The full Agriculture Committee, chaired by Sen. Herman Talmadge (D-Ga.), then amended the bill to:

• Increase the authorization for water and waste disposal grants from the current $300 million to $1 billion.

• Increase the ceiling on water and waste disposal grants to 75 percent of project cost.

These increased authorizations are greatly needed because of the growing demand in rural areas for water and waste disposal systems. The water and waste program was envisioned as the major component of the Rural Development Act of 1972 and has significantly stimulated economic development in rural America.

THE COMMITTEE'S adoption of the increase in the grant ceiling to 75 percent of project cost will move the rural development programs toward equity with urban-oriented programs.

In addition to the amendments to the Rural Development Act of 1972, known as Title I, a Title II has also been attached to the House Agricultural Credit Act. This title primarily affects the provision of insured and guaranteed loans to farmers, ranchers, and corporations engaged in agriculture. It authorizes and directs the Secretary of Agriculture to provide financial assistance to applicants experiencing severe financial problems and a tightening of agricultural credit.

The House is expected to act on the Agricultural Credit Act of 1978 as soon as Congress reconvenes. In the Senate, S. 2146 will reach the floor after action on the Panama Canal Treaty.

Elliott A. Alman

Comparison of Welfare Reform Legislation

	Present Law	H.R. 9030 (Administration)	H.R. 10950 (Corman Subcom.)	H.R. 10711 (Ullman)	S. 2777 (Baker-Bellmon)
Program					
	• Aid to Families with Dependent Children (AFDC); Supplemental Security Income (SSI); food stamps; and general assistance.	• Single program.	• Single program, but food stamps kept as option.	• AFDC; SSI (food cashed out); food stamps; general assistance.	• AFDC; SSI (optional food stamp cashout); food stamps; and general assistance.
	• Emergency assistance.	• $600 million for emergency assistance.	• $600 million for emergency assistance, plus 50 percent of up to one-fourth of allotment.	• Repeal of emergency assistance.	• $150 million for emergency assistance.
	• Foster care.	• Foster care omitted.	• Foster care.	• Foster care.	• Foster care.
Administration					
	All except SSI is administered by states and/or localities.	All except emergency assistance administered by federal government (but states could administer intake for cash program).	All except emergency assistance and foster care administered by federal government (but states could administer entire cash program).	All except SSI is administered by states (but not counties).	All except SSI administered by states (but not counties, unless state willing to accept reduced federal match).
Coverage					
	Children and single or incapacitated parent or caretaker; unemployed father (state option); children 18-20 (option); foster children; aged, blind or disabled persons; emergency assistance for families with children.	All needy persons, including emergency assistance.	Same as H.R. 9030.	Same as present law except unemployed parent coverage mandatory and children 18-20 only covered through secondary school. No emergency assistance.	Same as H.R. 10711 except all needy persons eligible for emergency assistance.
Cost/Fiscal Relief					
	• $32 billion (current federal, state, and local costs).	•$17 billion (additional federal costs).	• $20 billion (additional federal costs).	• $8 billion to $9 billion (additional federal costs).	• $8 billion (additional federal costs).
	• Counties spend $7 billion to $8 billion per year.	• $2 billion in fiscal relief.	• $3.45 billion in fiscal relief.	• $1 billion to $2 billion in fiscal relief.	• $3 billion in fiscal relief.
Eligibility					
	• Current need.	• 6 months retrospective income accounting.	• 1 month retrospective income accounting.	• 1 month retrospective; income tax recoupment of temporary benefits.	• State option: current need or 1 month retrospective; income tax recoupment.
	• Earned income disregard not applied to applicants.	• Earned and unearned income disregards applied to applicants.	• Same as H.R. 9030.	• Same as H.R. 9030, except no disregard of unearned income.	• Earned income disregard not applied to applicants.
	• Unemployed father defined as working less than 100 hours per month and having prior work force participation.	• No special eligibility.	• Same as H.R. 9030.	• Redefined as unemployed parent, no special eligibility.	• Redefined as unemployed parent, less than equivalent of 130 hours per month earnings at federal minimum wage.
Earned Income Disregard					
	$30 plus one-third, plus actual work expenses including child care (except that some states in practice limit work expense deductions).	50 percent plus child care (not to exceed $150 per child and $300 per family) for families not expected to work; for expected to work, first $317 per month plus 50 percent of remainder.	Same as H.R. 9030, except $65, plus 50 percent of remainder for SSI clients.	$30 (indexed by Consumer Price Index) plus child care (not to exceed $100 per child and $300 per family, or 50 percent of earnings of secondary or principal earner), plus one-third.	$60 ($30 if employed half-time) plus one-third, plus child care (with same limits as H.R. 10711).
Resource Limits					
	States determine resource limits.	$5,000 resource limit with 1.25 percent per month imputation of income to resources over $500.	Resource limits now in SSI: $1,500 single, $2,250 couples and families.	Resource limit is $1,750, except if one member of family is over 59; limit is $3,000.	Resource limits now in SSI.
Benefits					
	States determine benefit levels. Present levels range from $60 (Miss.) to $476 (New York City). When food stamp value added, benefit level range is $230 to $523. States allowed to impose maximums (usually based on family size).	$350 per month (with food stamps cashed out). Benefits cut off as family size reaches seven.	Same as H.R. 9030.	AFDC benefit is 30 percent of state's median income, less food stamp value; 30 percent median income in 1977 ranges from $360 (Tenn.) to $529 (Md.). Benefit same for all family sizes. For unemployed parent benefit is $200 per month (without food stamp value). Foster care standard may be different.	AFDC benefit is poverty line (minimum 60 percent, maximum 100 percent), less food stamp value. Poverty line in 1977 ranges from $292 (60 percent) to $487 (100 percent). Varies by family size. Foster care standard may be different.
Federal Matching					
	• Food stamps, 100 percent; SSI, 100 percent (state supplement not matched, but held harmless); AFDC ranges from 50 percent to 78 percent (no limit on state benefit).	• All programs 90 percent; state supplement matched 75 percent to $4,714, 25 percent to poverty line.	• Same as H.R. 9030 except state supplement match 75 percent to $4,714, 25 percent to higher of poverty line or sum of AFDC and food stamp value.	• Food stamps, 100 percent; SSI, 100 percent (supplement held harmless); state share of AFDC limited to 85 percent of 1977 state share; state supplements at state expense.	• Food stamps, 100 percent; SSI, 100 percent (supplement held harmless); AFDC match ranges from 80 percent to 90 percent. State supplement at state expense.
	• Administration, 50 percent.	• Administration, 100 percent.	• Administration, 100 percent.	• Administration, 50 percent.	• Administration, 50 percent.
	• General assistance, zero.				
Job Voucher/Job Credit					
	Not provided.	Not provided.	Not provided.	• Not provided. Expands on new jobs credit.	Employer can choose between $1 per hour voucher or $1 per hour job credit for one year for AFDC recipients, family heads unemployed 26 weeks, youth, or terminated CETA enrollees.
Earned Income Tax Credit					
	10 percent to $4,000, then 10 percent phase-out.	10 percent to $4,000, then 5 percent to poverty line, then 10 percent phase-out. Reverse withholding.	12 percent to $4,200 (indexed to CPI for future), then 6 percent phase-out. Reverse withholding.	20 percent to $5,000, then flat to $7,500, then 13 percent phase-out. Reverse withholding.	15 percent to poverty line, then 20 percent phase-out. Reverse withholding.
Public Service Employment					
	• CETA and WIN.	• 1.4 million public service employment slots in new CETA title. Minimum wage.	• Same as H.R. 9030 except prevailing wage.	• 500,000 WIN public service slots. Minimum wage.	• Guarantee of CETA public service employment for all unemployed parents who have made unsuccessful 90-day job search; 50 percent of remaining slots to AFDC recipients.
		• Abolished WIN.	• Abolished WIN.	• WIN control given to state.	• WIN control given to state.

Still Another Welfare Bill

WASHINGTON, D.C.—The welfare reform debate, stalled in the House Ways and Means Committee, was given a shot in the arm recently when Senate leaders introduced a major incremental bill and Sen. Daniel Patrick Moynihan scheduled hearings, beginning April 17, in his Finance subcommittee on public assistance.

Dubbed the Baker-Bellmon bill, the Job Opportunities and Family Security Act of 1978 (S.2777) has gained bipartisan support since it was introduced March 22 by Sens. Howard Baker (R-Tenn.) and Henry Bellmon (R-Okla.). Sens. Abraham Ribicoff (D-Conn.), John Danforth (R-Mo.), Mark Hatfield (R-Ore.), Ted Stevens (R-Alaska), and Milton Young (R-N.D.) have announced as cosponsors.

According to Sen. Baker, all the cosponsors share the view that welfare reform is essential and that it should be enacted this year. The growing prospect that reform will not be enacted this year because of the cost and complexity of the Administration's proposal prompted drafting of this legislation, he said.

BAKER SAID this bill would "move us a large step forward at a pace we should proceed and a cost we can afford."

Sen. Bellmon stressed that by building on the strengths and correcting weaknesses in current programs, the bill improves the welfare system at reasonable cost—an estimated $8 billion compared to the $19-$20 billion price tag of H.R. 10950, the special welfare reform subcommittee bill.

The Baker-Bellmon bill would offer substantial fiscal relief—estimated at $3 billion to states and local governments and would prohibit states from passing on costs of administration of programs to counties.

See detailed comparison of Baker-Bellmon with other welfare reform proposals on page 6.

Sen. Ribicoff, a former Secretary of Health, Education and Welfare and a respected welfare expert, characterized the bill as a moderate incremental approach but a big step forward that will improve the operation of the welfare system and the situation of the nation's poor.

"If the choice is all or nothing, we will get nothing, and we cannot sacrifice another generation while we wait for the perfect answer," he told Congress.

Ribicoff added that the bill provides for important "next steps" toward comprehensive overhaul by pilot-testing consolidated federalized approaches similar to the Administration's plan and by establishing a national commission to review the effects of the legislation after four years.

Getting It Straight

In a front page photo, which accompanied last week's report on the formation of a national jail reform coalition, we confused identification of Norval Morris, dean of the University of Chicago Law School. Morris appeared on the left side of the photo along with Rosemary Ahmann, chairperson of NACo's subcommittee on corrections, and Leslie Paffrath, president of the Johnson Foundation. Our apologies to Mr. Morris.

Last week, a kicker on an announcement of the seventh annual National Conference on Public General Hospitals should have read "AHA TAKES A LOOK." The future of county hospitals will be a featured item on the agenda when the group meets June 5-6 at the New York City Sheraton Hotel.

The Utah Association of Counties will be hosting its annual convention March 28-30, 1979 at the Little American Convention Center in Lake City. For more information, contact Jack Tanner, 801/364-3583.

WHITE HOUSE AIDE CONSULTS WITH COUNTIES—Margaret "Midge" Costanza, (right) Special Assistant to the President met with Aliceann Fritschler of the NACo staff to discuss ways for county officials to work with her in many areas of mutual concern, including implementation of the urban policy, and elected minority and women officials. Costanza, a former city council member, pledged her support to Bernard F. Hillenbrand, NACo executive director, and Fritschler for city-county cooperation in the urban policy. Fritschler gave her a copy of NACo's supplement on "Women and Counties".

CETA SUPPLEMENTAL NEEDED

Youth Funds Falling Short

WASHINGTON, D.C.—Unless a supplemental appropriation is passed by Congress for the current fiscal year, CETA prime sponsors will be forced to cut back on the Title I (job training) and the summer youth programs. This is due to the increase in the minimum wage rate.

NACo analysis shows that the summer youth employment program (SYEP) appropriation of $693 million is $105.3 million short, and that 147,000 fewer jobs would be provided than envisioned by Congress. The Labor Department has recognized the Title I need in its supplemental request for $71.4 million but has made no such request for the summer youth program.

HOWEVER, NACo believes that $214.3 million is required for Title I because of a ripple effect caused by the increased minimum wage which boosts all wage levels, and that the $71.4 million is an inaccurate estimate of that need.

The minimum wage increase from $2.30 per hour to $2.65 per hour, which became effective Jan. 1, is a 15.2 percent increase. Thus, CETA sponsors and program operators need a 15.2 percent increase in funds in Title I and SYEP just to continue the program at the same service level.

County officials should contact their congressional delegation and Appropriations subcommittee chairmen Rep. Daniel Flood (D-Pa.) and Sen. Warren Magnuson (D-Wash.) on the need for such a supplemental.

NACo has also urged Congress to appropriate the planned $500 million Youth Employment and Demonstration Projects Act (YEDPA) supplemental for fiscal '78 which the Administration requested in October 1977 and later withdrew.

NACo believes that $2.5 billion should be supported as the fiscal '79 Title I appropriation level so that program operators do not suffer a similar decrease in the number of people they can serve solely because of the minimum wage boost.

NACo will be testifying before Chairman Flood's subcommittee on April 12 and testified before the Senate last month on these funding needs.

LEAA to Support Alternatives for Troubled Youth

WASHINGTON, D.C.—The Law Enforcement Assistance Administration (LEAA) has announced it will make $30 million available during the next three years to support restitution programs for juvenile offenders.

These programs, given priority by Congress in the Juvenile Justice Amendments of 1977, are part of a major effort to create alternatives to incarceration of troubled youths.

"**WITH THE** restitution program, juvenile offenders will have sentencing alternatives available to them," John M. Rector, administrator of LEAA's Office of Juvenile Justice and Delinquency Prevention, said. "Restitution will not only recognize offender responsibility but will have positive rehabilitative value as well."

Rector, whose office will administer the program, said one example of restitution would be to permit young people to return stolen merchandise or pay for damage done as a result of vandalism.

APPLICATIONS are invited from courts, prosecutors, probation offices, or others within the juvenile justice system at the local, regional, or state levels. Applicants are encouraged to sign contracts for management of projects with youth advocacy groups, and public or private nonprofit youth agencies.

The deadline for submitting applications is April 21.

Program guidelines are available from state criminal justice planning agencies and the Office of Juvenile Justice and Delinquency Prevention, Law Enforcement Assistance Administration, 633 Indiana Ave., N.W., Washington, D.C. 20531.

One More Year for Antirecession Aid?

WASHINGTON, D.C.—Rep. William Moorehead (D-Pa.) has introduced legislation to extend the countercyclical antirecession assistance program for one-year and reduce the national unemployment trigger from 6 percent to 5.5 percent. The current program expires this September.

The Administration is also proposing to extend the program for one year, at a level of $1.04 billion. This amount has been included by Congress in the fiscal '79 budget targets. The President has included countercyclical assistance as part of his "urban initiative," and proposes substantial changes in the program (see urban policy highlights).

A comprehensive Administration proposal will be sent to Congress around mid-April, at which time the House subcommittee on intergovernmental relations and human resources will hold hearings.

Countercyclical assistance was originally authorized by Title II of the Public Works Employment Act of 1976 at a level of $1.25 billion for five quarters through June 1977. It was then extended by the Intergovernmental Antirecession Act of 1977 at a level of $2.25 billion for another five quarters through September 1978.

THE PURPOSE of the program is to provide financial help to states, counties and cities when unemployment is high. The current program is "triggered" whenever the national unemployment rate reaches 6 percent. Assistance, based on a formula, is then provided to units of government with unemployment of 4.5 percent or more.

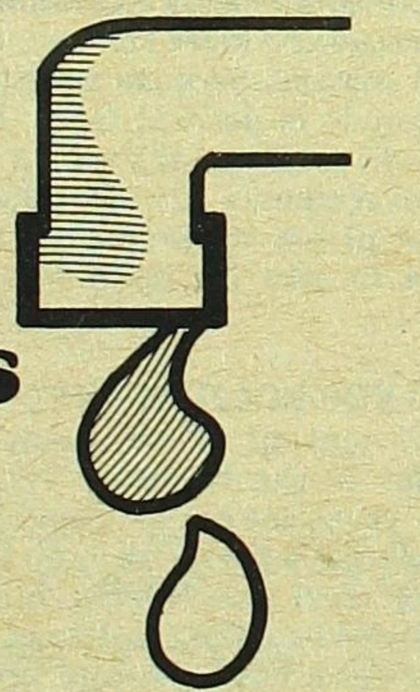
The program is intended to "phase out" when national unemployment dips below 6 percent, and automatically start up, if and when unemployment rises above the specified level.

The national unemployment rate is continuing to decrease. The February rate declined to 6.1 percent. Current law provides no assistance when the national unemployment falls below 6 percent for the most recent quarter or for the last month of that quarter. It is, therefore, possible that the countercyclical antirecession program could "phase out" in the near future.

—Elliott Alman

SAFE DRINKING WATER

Local Government Responsibilities



Is your drinking water safe? What must local governments do to ensure the safest water for their citizens?

Attention

County officials of Utah and New Mexico. Safe drinking water workshops will be presented in your states this month, sponsored in part by the National Association of Counties Research Inc. and respective state associations of counties, as well as national and state associations of cities.

Workshops are planned for:

Utah
April 7
8-10 a.m.
Salt Lake City
Ramada Inn
In conjunction with the "Special Orientation for New and Old Elected and Appointed Officials" of the Utah League of Cities and Towns.

New Mexico
April 28
10 a.m.-3 p.m.
Albuquerque
Sheraton Old Town Inn
- A specially scheduled workshop on safe drinking water. Preregistration appreciated.

For more information, contact Arleen Shulman, NACoR.

DISPOSAL CHARGE:

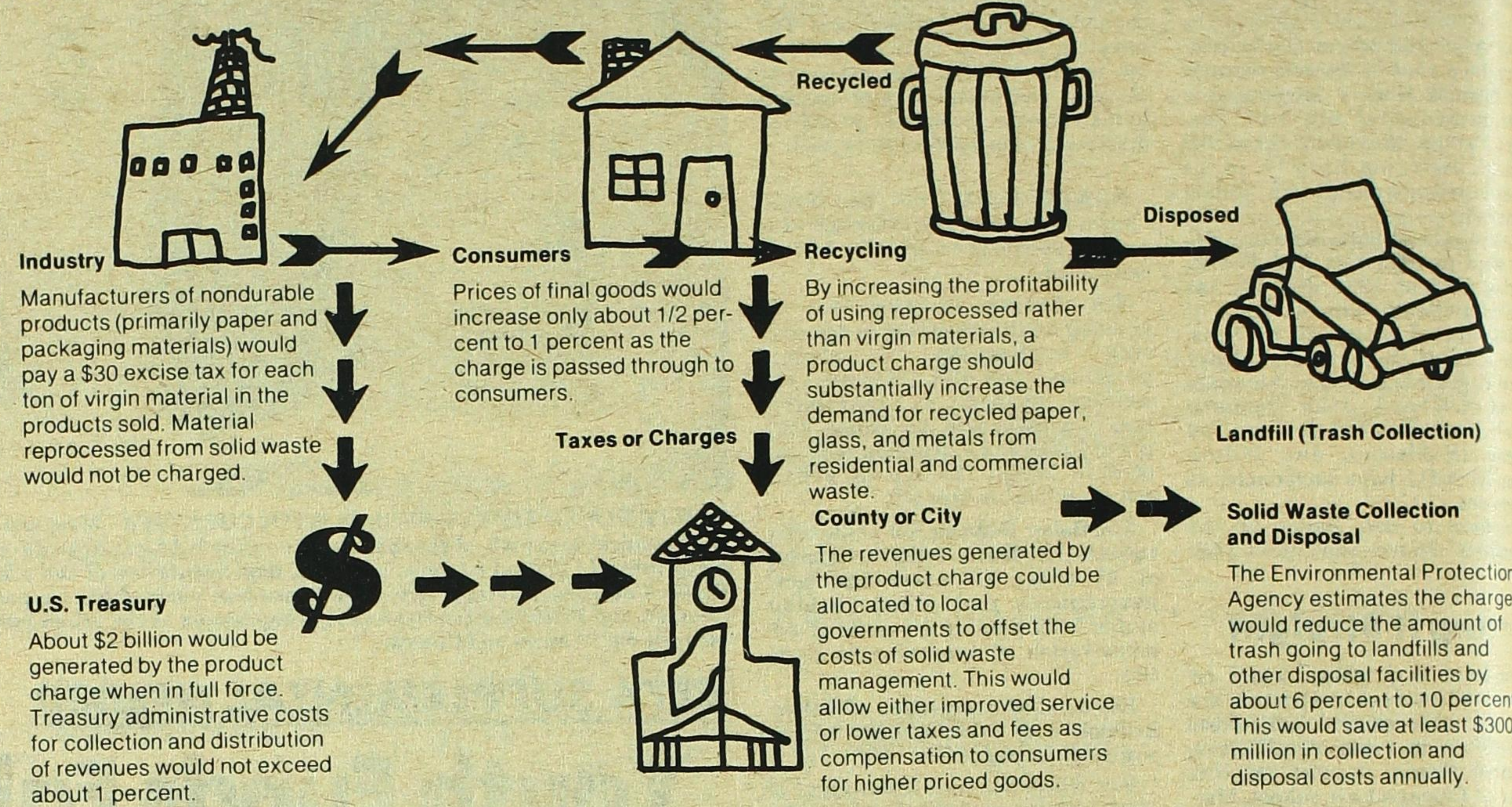
Way to Cut Waste and Raise Funds

Over the last decade, concern has been repeatedly voiced about our society's wastefulness. No one understands that better than county officials who have to bear the frustration of finding acceptable ways to dispose of the nation's garbage. As landfill sites become harder to locate and resource recovery no longer looks like a simple solution it was once expected to be, increasing attention has been given to the possibility of reducing the flow of solid waste at its source—by producing less of it.

Proponents of this idea are not suggesting production of fewer cars, appliances, or other consumer goods which have relatively long lives. In fact, increasing the average life of all products would help diminish the flow of waste to landfills and other disposal facilities.

The main concern is with paper, packaging materials, and convenience items which are intended to be thrown away immediately after use. The aim is to encourage industries to alter their production processes and the composition of their products to make disposal, recycling, and reuse simpler. In addition, any policy intended to reduce the production of waste and encourage reuse will need to change the attitudes of each of us as consumers so that we are conscious of the economic and environmental costs of waste disposal when we make purchasing decisions.

HOW THE SOLID WASTE PRODUCT CHARGE WOULD WORK:



SOURCE REDUCTION CONSIDERED

The general concept of "source reduction" has been the basis for a number of proposed policies: litter taxes, beverage container deposits, restrictions on "excessive" packaging, and a solid waste product charge.

The Resource Conservation Committee, an interagency committee established by the Resource Conservation and Recovery Act, is looking into these policies with the intention of making recommendations to the President. Because the committee generally prefers the use of price incentives—like a solid waste product charge—instead of direct regulatory restrictions on production, it seems unlikely that "excess" packaging regulations will be seriously considered.

Of the remaining source reduction policies, beverage container legislation deals with only a narrow range of products, and will be considered in a future *County News* article.

ELEMENTS OF A DISPOSAL CHARGE

A solid waste product charge would consist of an excise tax on the material content of all nondurable consumer goods (excluding food) to reflect the ultimate cost of collection and disposal. Under current proposals, the charge would be set at about $30 per ton based on national estimates of average collection and disposal costs for residential/commercial waste. The charge for rigid containers such as bottles and cans would be set at one-half a percent per item, since volume is a more precise indicator of disposal costs than weight for them.

In order to encourage recycling and reuse of materials, the charge would be levied only on virgin materials. To the extent that a manufacturer used materials reprocessed from "post-consumer" waste, it would be able to avoid the charge.

GOALS OF A PRODUCT CHARGE

Greater Equity. Imposing a life-cycle cost which includes disposal on all nondurable products would prevent consumers who generate a lot of waste from passing the cost on to the public at large. The disposal cost would be included in the purchase price. This is not the case when everyone in a community, for example, pays the same flat rate for garbage pickup regardless of the amount of waste they create.

Source Reduction and Recycling. Because the charge encourages the generation of less waste and the reuse of materials, it is expected to reduce the need for landfill space by 6 percent to 10 percent according to the Environmental Protection Agency's estimates. Not only does that mean longer landfill life, but it translates into a nationwide saving of $300 million in reduced collection and disposal costs.

Reduction in the flow of garbage to landfills would be achieved by a slight decline in the growth of paper and packaging production and be a dramatic increase in recycling and reuse. Because the demand for recycled paper, newsprint, glass, aluminum, and perhaps rubber would increase significantly, a product charge would make it not only socially desirable, but also increasingly profitable, to use these reprocessed materials.

One study done for EPA projects a doubling of the rate of paper reprocessing over current levels and a similar shift towards the reuse of other materials if the charge is adopted. As the cost of reprocessed material declined relative to the cost of those virgin materials which would be taxed, producers would become willing to pay higher prices for recovered materials either from household and office separation programs or from mechanical recovery from mixed solid waste. Thus counties would benefit from much stronger markets for their recovered materials.

Revenues. When the charge is fully in effect after a 5 or 10 year period, it would raise a total of about $2 billion each year, based on projected rates of waste generation, including estimates of waste reduction and recycling caused by the charge itself. There are a number of possible ways of allocating this revenue, but the one being most seriously advanced would distribute the funds to counties and cities to assist them with solid waste programs. The two major methods of returning the funds to local governments would be either on an automatic formula basis using population or other elements in the general revenue sharing allocation, or on the basis of block or categorical grants for specific solid waste management activities based on need. Alternatively, some combination of formula and categorical grants could be used.

Any method of dividing the $2 billion must take into account that cities and private haulers are responsible for most of the nation's waste collection which is the most expensive element of a waste disposal service. This does not necessarily preclude an allocation formula based entirely on population, but the variations in waste management responsibility from one jurisdiction to another will surely complicate the issue.

(EPA has asked NACoR for assistance in devising an equitable basis for allocating the revenues. The NACoR Solid Waste Project would be glad to hear from you if you have any comments about the appropriate means for distributing the funds.)

HOW WOULD THE CHARGE WORK?

For administrative simplicity, only packaging and paper would be included during the initial stages of the program. Together they account for 80 percent of nonfood residential/commercial solid waste. Charges on other commodities might be included later.

Because the Treasury Department has already developed considerable expertise in levying excise taxes on tobacco, alcoholic beverages, and other commodities at a minimum cost, it would probably be assigned responsibility for collecting the solid waste product charge as well. Based on its previous experience, the cost of collection and enforcement should not exceed one-half of 1 percent. The distribution of revenues would be even less expensive if a simple formula is used, although administration of a categorical grant program could cost from 3 percent to 4 percent of the revenues.

The charge would probably be levied as close to the original production source as possible. This reduces the number of firms which must be monitored and makes it easier to distinguish between the use of virgin materials (which are charged) and secondary or recycled materials (which are not charged). The main difficulty with assessing the charge at an early processing stage is determining whether the end use will be for a nondurable consumer product or not.

The use of financial incentives to encourage waste reduction inevitably raises the concern that the charge may be potentially inflationary as the charge is passed on to consumers. However, an EPA-sponsored study has shown that prices should increase no more than about one-half percent to 1 percent because so little of the final cost of goods is derived from the cost of raw materials. In addition, the return of revenues to local governments should offset the rise in consumer prices by reducing the need for local taxes to pay for solid waste management.

A TRUST FUND FOR SOLID WASTE

In many ways the concept of the product charge is very similar to the Highway Trust Fund. In both cases, revenues are or would be raised from one economic activity to be used for a related state or local government function. In the case of highways, the trust fund is derived from a tax on gasoline sales and used for highway construction. A solid waste product charge would impose an excise tax on a private sector activity (production of goods which will be discarded shortly) to be used for local government disposal activities.

The relationship is even stronger when one considers that there is a direct connection between the charge and the function that it funds. There is a high correlation between gas consumption and highway use. Likewise there is a strong correlation between consumption of nondurable goods and the amount of waste a person generates.

There is no reason why the solid waste product charge must follow the example of the Highway Trust Fund in its details. For example, one of the criticisms of the Highway Trust Funds has been the lack of congressional oversight in determining how funds will be spent from year to year, particularly between highways and mass transit. This could easily be remedied with the product charge by providing for annual appropriations by Congress and oversight of the way in which funds are being spent. That is the process used in administering the Land and Water Conservation Fund which gets money from oil and mineral leases to be used for park and recreation development.

ALTERNATIVES TO A PRODUCT CHARGE

Regardless of its similarities to the Highway Trust Fund, the concept of a solid waste product charge must be considered on its own merits in comparison with other proposals with the same goals. There are two general types of alternatives to the product charge which are intended to reduce waste with special charges.

The first alternative would consist of a national litter tax, similar to ones passed in the states of California and Washington in recent years. Like the product charge, that tax would be assessed against producers and/or wholesalers and retailers. However, if California is used as the model, the litter tax would be based on sales volume or other indirect measures rather than the amount of nondurable products generated by each firm which will end up in the waste stream. Thus, this tax, unlike the product charge, would offer no incentive for waste reduction or recycling since the tax would not reflect actual disposal costs, and no credit would be given for the use of recovered materials. In fact, the litter tax is so limited in scope that its only true similarity to the product charge is its capacity to raise revenues from producers for use by counties and cities.

As a second alternative, local governments could assess fees for collection and disposal in accordance with the amount of garbage generated by each household. If a charge is made on a per unit (can or bag) basis rather than by using a flat fee or ad valorem tax, charges would be allocated in proportion to actual costs. Equity is thus achieved between households and an incentive is created to reduce waste. However, there is only a very weak and indirect encouragement to producers to reprocess material or to minimize packaging. A local user charge also has the advantage of being flexible to meet the needs of various situations.

In fact, some proponents of the product charge have suggested that there would be no need to consider a national source reduction policy if household collection fees were based on weight or volume rather than a flat rate. Unfortunately, when imposed at the local level, user charge rate structures have led in some cases to illegal dumping and burning to avoid the charge. Strict user charges also have the disadvantage of being administratively cumbersome since they require keeping records for each household or a system of selling specially marked plastic bags which include cost of disposal. Consequently, it seems unlikely that many communities or private haulers will adopt such a rate structure, thereby leaving it to the states or the national government to develop a policy which will assess charges based on actual costs and encourage source reduction and reuse of materials from the waste stream.

—Cliff Cobb, NACoR

High Marks for Napa Jail

NAPA COUNTY, Calif.—The county has a good corrections program. It got that way through a combination of broad-based policy-making, competent staff planning, and luck.

The old jail was closed by the state fire marshal back in 1970—that was the lucky part. This forced the county to send prisoners to surrounding counties and, over a period of six years, county residents forgot how a jail is traditionally operated. When the time came to build a new jail, county officials were able to start from scratch, consider the options and select the one that best suited their current situation.

County Administrator Albert J. Haberger noted that county government resources are limited and must bring the maximum return in terms of protecting the lives and property of county residents. Applying the maximum return principle to corrections meant building a jail of limited size, 60 inmates in this case, and making full use of release, diversion, and other alternatives to incarceration.

IN ORDER to obtain advice from a variety of sources, a Criminal Justice Planning Committee was formed in 1975 which included the sheriff, district attorney, county probation officer, county administrative officer, superior and justice court judges and the Napa City police chief. John Pearson, who had extensive experience in corrections planning with the Santa Clara County (Calif.) Pilot Cities program, was hired under a Law Enforcement Assistance Administration (LEAA) grant to do the staff work.

The committee considered three alternatives:

- A jail operated by the sheriff, in which law enforcement officers who make arrests, transport prisoners, and provide court security would also administer the jail and be responsible for prisoner custody and all corrections programs;
- A separate department of corrections which would either operate only the corrections programs, such as alternatives to incarceration and programs for sentenced prisoners, and leave the custody function to the sheriff; or be responsible for all corrections programs, including jail administration and prisoner custody;
- A corrections department under the existing county probation officer which would be responsible either for corrections programs only or for prisoner custody as well.

The committee opted for a full role for corrections specialists. The department is headed by a corrections bureau directly under the county board of supervisors and includes the chief probation officer, sheriff, district attorney, and a chief of police. Brenda Hippard, a professional corrections officer, was hired as the department staff director.

PROBLEMS typical of jails still exist. During a shake-down stay by more than 100 citizen volunteers when the jail opened in 1976, flaws in the electronic locks were discovered. These still plague the institution. There have been a few escapes, the plumbing has leaked, there was inadequate office space, and the county sometimes loses the struggle to keep the jail population below the inmate limit through alternative programs.

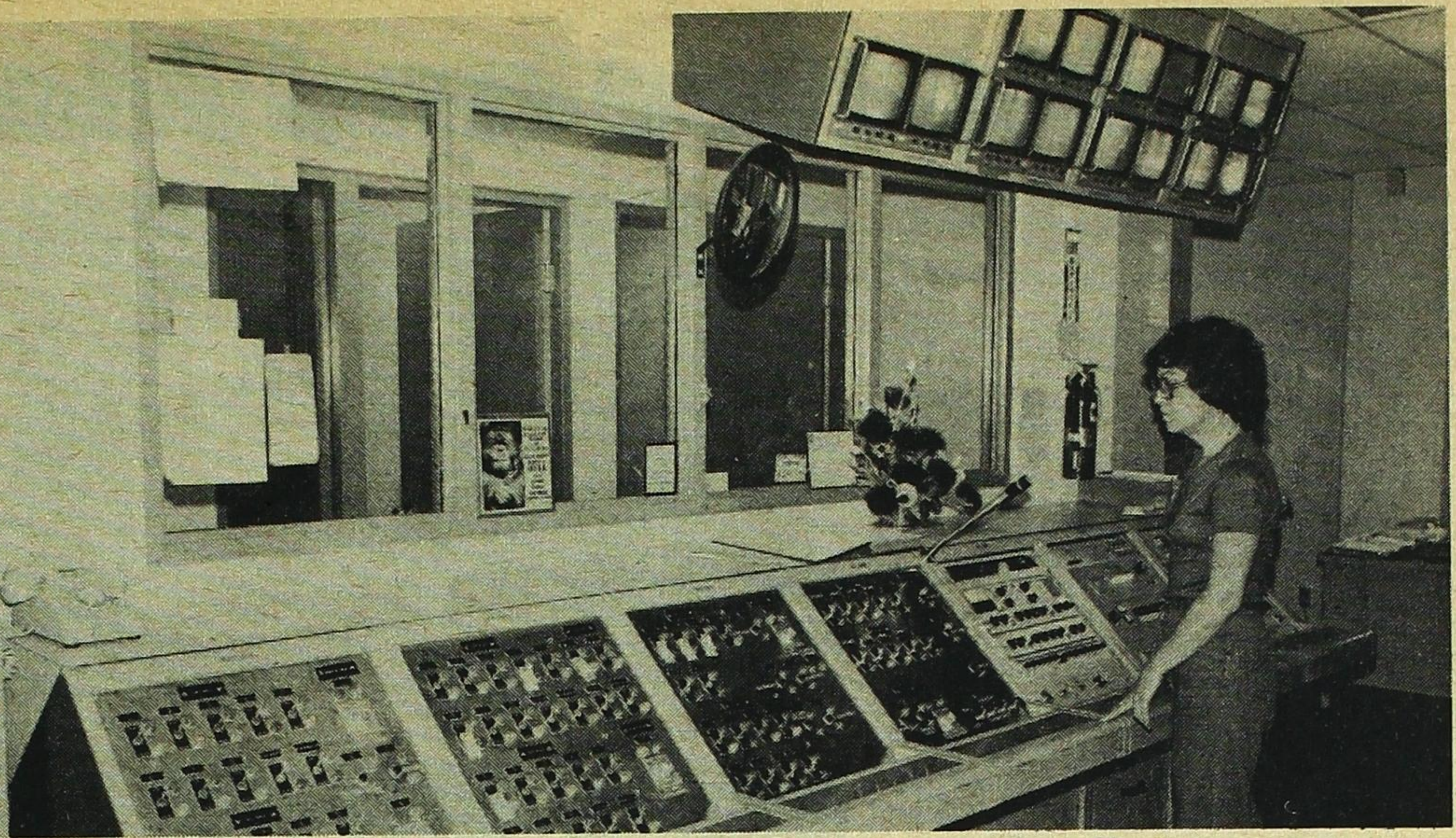
However, the staffing pattern offers a striking contrast to the traditional jail. The Napa County Jail is operated by corrections personnel rather than law enforcement officers and about 35 percent of the 20 staff members are women. A clear line is drawn between law enforcement and corrections at the booking desk where a sign directed at the booking officer reads, "Curb Your Enthusiasm." The physical environment is not like a typical jail; there is carpeting on the floors and pleasant colors on the walls.

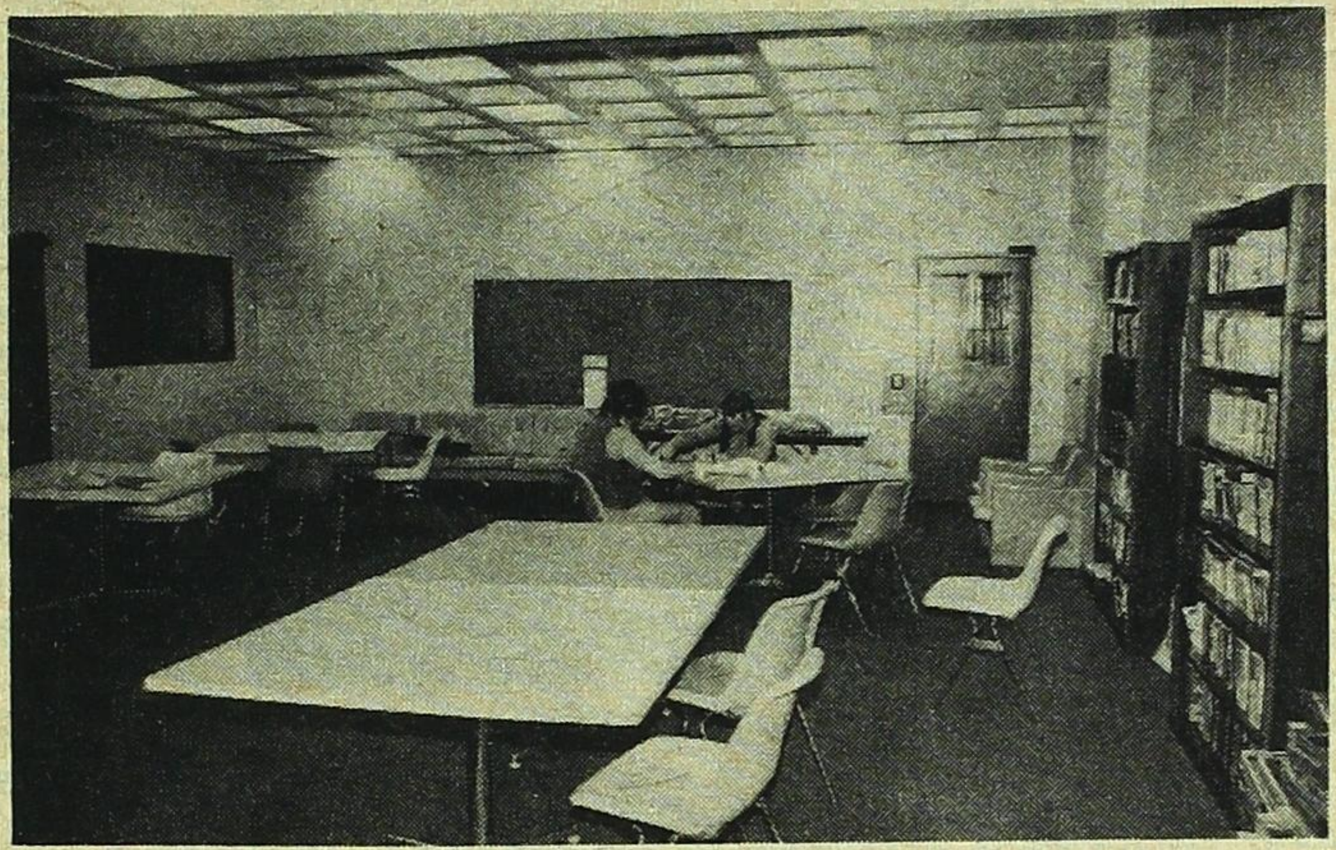
The broad-based policy-making process in the bureau of corrections may extend the time required to reach a consensus, but increased cooperation is the result. Citizen advisory groups were formed to help plan and design the new jail. The county library, mental health agency, public health department, welfare office, and community college all provide services for the two-thirds of the inmates who serve an average sentence of six months. Continuation of services after release for these and the presentenced inmates who stay an average of three days is encouraged.

In addition, a local volunteer center provides more than 20 aides for a wide range of activities including jail administration, probation, criminal justice planning, and victim services.

The Criminal Justice Program of NACo's research arm has prepared a factsheet listing departments of corrections in other counties and examples of corrections programs which are professionally administered through the sheriff's office. Copies are available upon request.

—Duane Baltz, NACoR

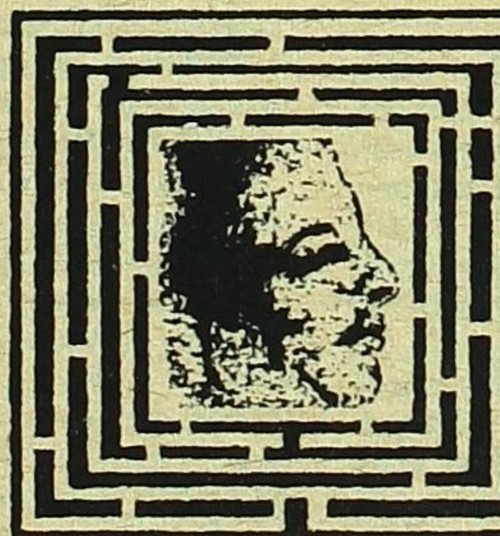




New Look for Jail, Jailer

In top photo, Brenda Hippard, director of Napa County (Calif.) Department of Corrections, checks the security control panel in the new jail. At left, a multipurpose room in the jail serves as dining room, library and recreation room for inmates.

Second National Assembly on the Jail Crisis



May 17-20, 1978
Minneapolis, Minnesota

The American Jail in Transition

Topics include:

- Who should be in jail?
- Role of elected officials in jail reform
- Function of standards
- Improvement in medical care, education, vocational training, recreation, furloughs
- Federal financial and technical assistance
- Intergovernmental solutions.
- Program needs of incarcerated women
- Diversion of children from jail
- Legal issues: prisoner rights, liability of appointed & elected officials
- New approaches to jail management
- Technical assistance booths staffed by national organizations.

Conference Registration

To take advantage of the conference advance registration fee, a personal check, county voucher or equivalent must accompany this registration form; make check payable to: **National Association of Counties Research Foundation**

All advance conference registration fees must be postmarked by May 1, 1978. After May 1, registrations will be at the on-site rate at the hotel. **(no registrations by phone)**

Refunds of the registration fee will be made if cancellation is necessary, provided that written notice is postmarked no later than May 5.

Conference registration fees: ☐ $75 advance ☐ $95 on-site

Please Print:

Name____________________

County__________ Title__________

Address____________________

City________ State____ Zip____ Tel.(___)____

Hotel reservation request: **Radisson Hotel**

Occupant's name(s)____________________

☐ Single $30 ☐ Double $36

Arrival Date/Time________ Departure Date/Time________

Suites available on request $75-$200

Send pre-registration and hotel reservation to:
National Association of Counties Research Foundation
Second National Assembly on the Jail Crisis
1735 New York Ave., N.W., Washington, D.C. 20006

Matter and Measure

As indicated in last week's column, we are reporting on discussions at the recent NACoR-NACE workshop in St. Paul, Minn. on design guides for resurfacing, restoration and rehabilitation (RRR) projects.

By way of background, the Federal Highway Administration (FHWA) had asked for comments on ways to implement the expanded definition of construction required in the Federal-Aid Highway Act of 1976. After receiving approximately 200 comments on alternatives for design standards for federal-aid RRR projects, FHWA decided to develop design criteria to implement these projects. NACE and others felt that FHWA adoption of AASHTO's "Geometric Design Guide for Resurfacing, Restoration and Rehabilitation of Highways and Streets 1977" (Purple Book) was the preferred course of action for implementing RRR projects. (AASHTO is the American Association of State Highway and Transportation Officials.) Since FHWA has decided to develop its own criteria, the objective of the March 14 workshop was to provide recommendations to FHWA on design guides, especially as they affect county projects.

FEDERAL REPORT

David K. Phillips, chief of FHWA's Highway Design Division, explained that one of the changes brought about by the expanded definition of construction (RRR) was eligibility for federal funding of overlays projects 3/4 of an inch and over. Below 3/4 of an inch, overlays are considered to be maintenance, and, therefore, ineligible for federal funding.

Phillips pointed out the critical condition of roads in the nation, giving examples from FHWA's most recent highway needs study (based on figures from Dec. 31, 1975). Sixty percent of the country's 800,000 miles of rural collector roads are rated in fair condition (rural collectors are mainly federal-aid secondary roads); about 10 percent (some 80,000 miles) are considered to have failed.

Funding problems compound the deteriorating road problem. According to the FHWA needs study, it would take about $22 billion a year in capital improvements over the next 20 years, just to keep pace. "We are spending only about $14 billion a year. When we consider inflation, we are spending less money today on capital improvements in terms of 1965 dollars than we did in 1965," he said.

Phillips emphasized that one of the most important findings of the study is the necessity for federal, state and local commitments to highway preservation. Rehabilitation delays can only increase the long-range cost of maintaining good performance because of the progressive nature of deterioration and the predicted growth in price inflation. Pavements are deteriorating faster than they are currently being rehabilitated, resulting in an increasing number of pavement miles reaching failure, he said.

In addition, pavements allowed to deteriorate into a poor riding condition increase vehicle operating costs, fuel consumption, and adversely affect safety and driving comfort.

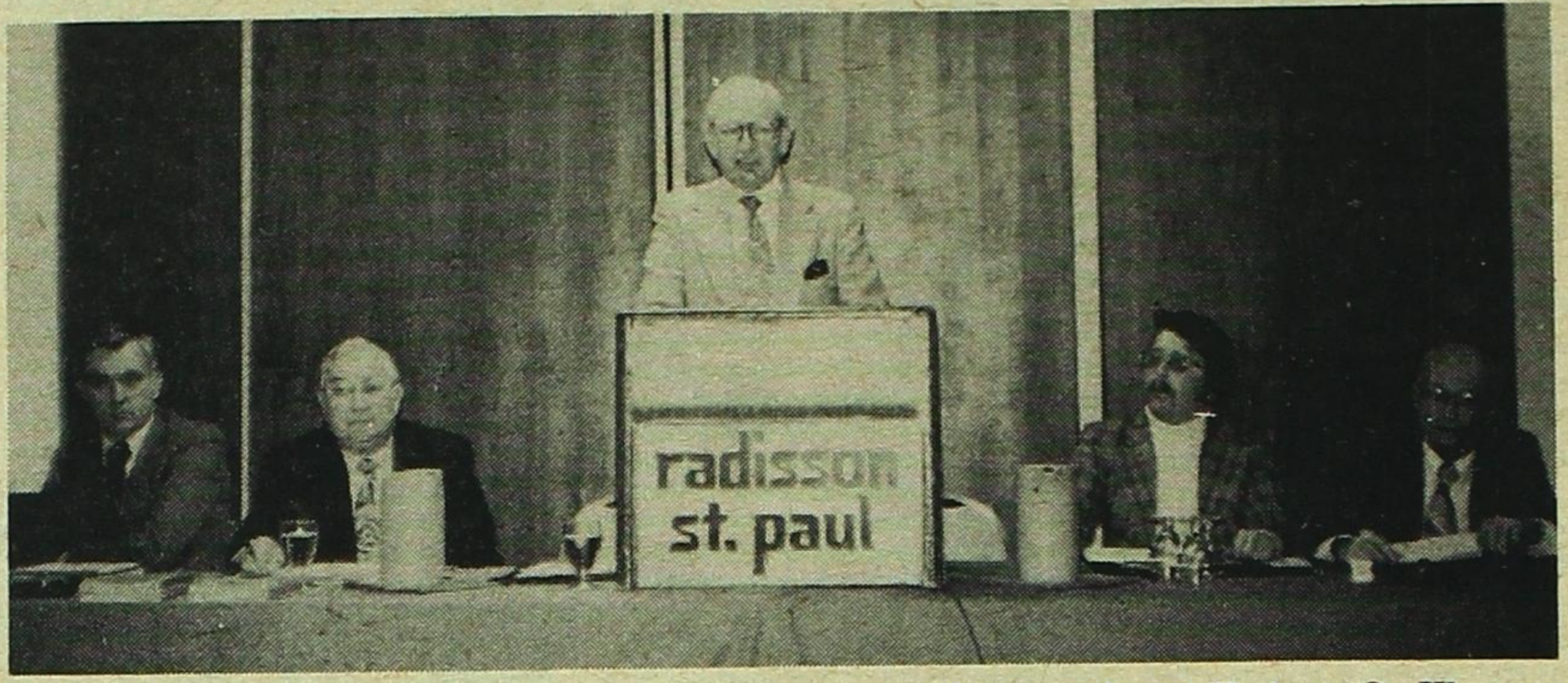
A 10-member FHWA task force is developing design guides. FHWA plans to publish design guides (rather than criteria or standards) for RRR projects in the *Federal Register*, as a notice of proposed rulemaking, sometime in May or June. FHWA's draft guides will be based on criteria in AASHTO's Purple Book, comments already received and other available information on RRR projects.

Phillips urged counties to provide specific comments on the *Federal Register* proposed notices. Information on the notices will be published in this column.

Until FHWA adopts separate design criteria for RRR projects, these projects will be handled under current procedures. FHWA encourages flexibility, and division administrators have been instructed to grant exceptions to existing design standards as needed, on a project by project basis. FHWA will devote increased attention to evaluation of the effectiveness of its RRR program, Phillips said.

When geometric features are involved, Phillips said the following elements should be considered:

- Traffic, design hour volumes, percentage of trucks, accident data;
- Elimination of high-hazard locations;
- Correlation of design speed to physical highway features which affect vehicle operation;
- Need for maintaining uniform safe speed for a significant segment of the highway;
- Superelevation, considering such variables as rate of roadway superelevation, side friction factor, vehicle speed and radius of curvature;



In top photo, Herbert O. Klossner, center, NACE North Central Region vice president and director of transportation, Hennepin County, Minn., moderated the March 14 NACoR-NACE workshop on design guides for RRR projects. Workshop panelists included, from left, David K. Phillips, chief, FHWA Highway Design Division; Howard F. Schwark, Kankakee County (Ill.) superintendent of highways and FHWA county road advisor; Wayne Gerdeman, Allen County (Ohio) chief engineer; Forrest W. Swartz, assistant to the director, Ohio Department of Transportation. Melvin B. Larsen, engineer of local roads and streets, Illinois Department of Transportation, also served as panelist. At left, workshop participants divide into discussion groups to recommend design guides for FHWA's consideration.

- Pavements and shoulder width—determining which component is most important, considering limitations in availability of rights-of-way (there is not sufficient research information available on which to base decisions);
- Curvature, stopping sight distance, gradient;
- Bridges: bridge decks, railings, approaches, guardrail, positive guidance systems, compliance with the *Manual on Uniform Traffic Control Devices*, sufficient carrying capacity for school buses and vital service vehicles (equivalent to a H-15 loading where no adequate alternative route is available).

Phillips suggested that in rural areas with traffic volumes under 400 vehicles a day the important items are percent of trucks, current ADT and design speed.

STATE REPORTS

Two representatives presented the state point of view. They were: Melvin B. Larsen, engineer of local roads and streets for the Illinois Department of Transportation and secretary of the Joint AASHTO-NACo-NACE Committee, and Forrest W. Swartz, assistant to the director of the Ohio Department of Transportation.

Larsen emphasized that a misunderstanding exists, because counties were not advocating lowering of design standards when they supported adoption of AASHTO's Purple Book. He stressed the need for flexibility to allow for engineering judgment when deciding design standards.

Larsen made a strong point for reviewing legislative intent for the new definition of construction. He suggested Congress ought to be complimented for its insight. "They saw the slowing or leveling off of income, price increases, the effects of inflation. They saw the deterioration of highways which FHWA and DOT pointed out," he said.

The Conference Committee tried to explain the intent of adding the words "resurfacing, restoration and rehabilitation" to the definition of construction. The addition of the word "resurfacing" indicates that federal-aid funds may be used to restore existing roadway pavements to a smooth, safe, usable condition, considering safety factors. When reconstruction is not feasible, resurfacing may be expected to include, in addition to safety improvements, strengthening or reconditioning of a deteriorated or weakened section of existing pavement, replacement of malfunctioning joints, pavement undersealing and similar operations necessary to assure adequate structural support for the new surface course.

Structure is considered a second aspect. The definition, as amended, coupled with the Secretary of Transportation's existing authority on standards, would permit federal funding of such projects as resurfacing, widening and resurfacing existing rural and urban pavements with or without revision of horizontal or vertical alignment or other geometric features. This change confirms policy established by FHWA and indicates "no intent to fund normal periodic maintenance activity which remains a state responsibility."

Larsen concluded by stating that accidents on low-volume roads are rare and that when they do occur, they usually involve just one vehicle.

Swartz spoke also of the need for financing criteria and said that RRR projects do not necessarily involve redesign.

COUNTY POINT OF VIEW

Howard Schwark, Kankakee County (Ill.) superintendent of highways, and FHWA county road advisor for Region 5, and Wayne Gerdeman, Allen County (Ohio) chief engineer, presented the county perspective on design guides for RRR projects.

Schwark repeated the need for county engineers to have flexibility to use their engineering judgment in implementing RRR projects. He said there exists a credibility gap: the public and some state and federal officials believe use of AASHTO's Purple Book would lower design standards; however, this is not true. Schwark quoted at length from the Purple Book to make his point.

Gerdeman said local officials should have control over local matters because they best know their needs and conditions.

SMALL GROUP DISCUSSIONS

Following the panel presentations, workshop participants divided into small groups to recommend design guides for FHWA's consideration. A summary of the reports follows:

- **Bridge Geometrics:** John Cashatt, engineer, Mitchell County, Kan., led discussion on criteria for bridge geometrics. The group recommends that decisions on the width of a bridge remaining in place be based upon factors other than just width, primarily the factor of function. Approach alignment, vertical and horizontal alignment, condition and width of road also are important. According to the group, a bridge that is functional should be allowed to remain. This should apply to bridge restoration as well as pavement resurfacing. The group recommends that a minimum safe load-carrying capacity be established—basically an H-15 loading. The group also emphasized the need for cost-benefit ratio analysis.

- **Road Geometrics:** Fred Rogers, engineer, Peoria County, Ill., led the discussion on road geometrics. This group emphasized the need for county engineers to use their engineering judgment to determine safety considerations. The group recommends use of a design speed 10 miles less than the design speed used now which is probably what the roads were designed for originally. Concerning pavement widths, the group recommends the use of the original 20-foot pavement width when traffic volumes are below 1,500 (vehicles per day). The group recommends against granular full-width shoulders on RRR projects and recommends that consideration be given to the importance of pavement width before shoulder width. Curves should be adjusted in RRR projects to restore superelevation, if necessary. Care must be devoted to supering curves, considering use speed. For spot safety improvements, some county engineers prefer using safer off-system roads funds rather than implementing RRR projects. Because of variation in accident record keeping, judgment must be used in analyzing accident records.

- **Pavement Design:** The group discussing criteria for pavement design was led by Robert Witty, engineer, Martin County, Minn. This group again stressed the need for flexibility and design guidelines rather than standards because of state and county variations. The group recommends consideration of 14 feet for minimum lane and shoulder widths in some cases. In addition to considering ADT, consideration should be given to operating speed and capacity as well as percentage of truck travel.

- **Shoulder Widths, Foreslopes and Ditches:** Earl Beissel, engineer, Jones County, Iowa, served as discussion leader for the group on shoulder widths, foreslopes and ditches. The group supports provisions of the AASHTO guide (page 9) relating to pavement and shoulder widths, which state, "Since travel lanes are more important, adequate lane width should be obtained before considering increased shoulder width. Shoulders may be reduced in width to obtain wider pavement." If adequate width in rights-of-way exists, a 3:1 slope is desirable. However, when no width is added, lesser slope should be allowed. When confronted with a combination of deficiencies such as narrow shoulders and a narrow bridge, the group recommends spot safety improvements.

FEDERAL COMMENTS

Phillips responded to the reports in the following ways:

Discussing bridges, he said that there are about 6,000 one-way bridges on the federal-aid systems (a one-way bridge is defined as 16 feet or less). FHWA's current RRR draft recognizes that many such bridges will remain in place and should be eligible for federal funds for pavement improvements.

Regarding the group's recommendation of a H-15 load limit, Phillips said the only reference where such a limit is not used in FHWA's draft design guide concerns bridges used by emergency vehicles and school buses when they can travel over alternate feasible routes.

FHWA's draft addresses the cost-benefit ratio approach urged by the bridge geometrics group.

In regard to the point made by the road geometrics group, that design speed should be lowered by 10 miles per hour, Phillips said such a reduction would be going back to operating speed. FHWA's current draft considers determining operating speed and then raising it 10 miles per hour to represent design speed.

Pavement width has priority over shoulder width in FHWA's draft design guide. For example, with a 12-foot area, is it better to have a 10-foot lane and 2-foot shoulders, or a 9-foot lane and 3-foot shoulders? The present draft says a 10-foot lane and 2-foot shoulders.

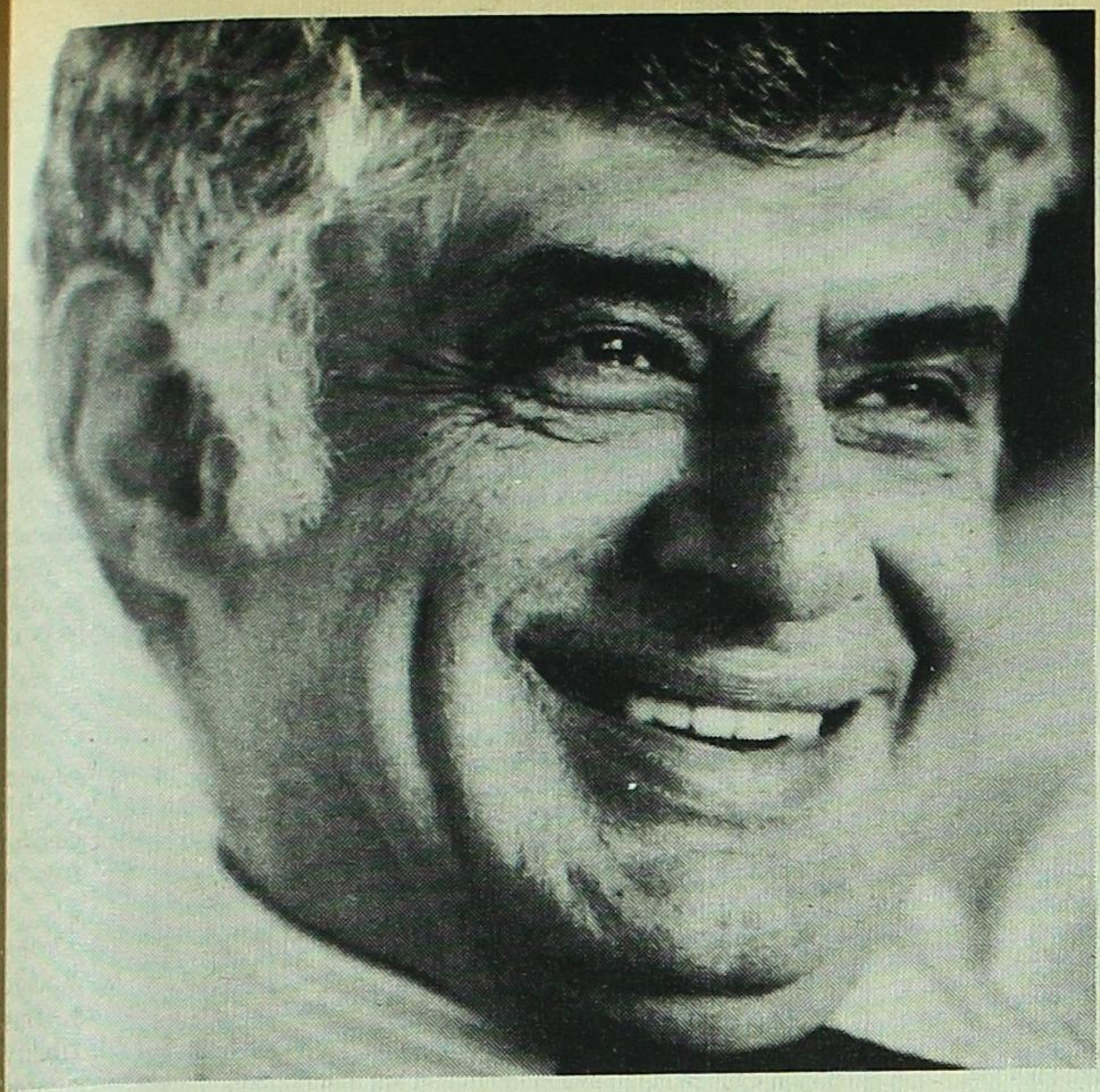
Regarding use of full-width granular shoulders, Phillips said the current draft recognizes the need for a minimum of 2-foot shoulders even on a 9-foot lane.

Concerning pavement design, Phillips stated that the current draft design guide addresses use of volume as a criterion when considering combined lanes and shoulders. FHWA believes less attention should be paid to design or peak-hour volumes especially regarding low volume roads.

Phillips expressed interest in hearing from counties their reaction to the 3/4 inch as minimum for overlays under the definition of construction.

Phillips concluded by stating that FHWA's draft design guide, to be published for comment in the *Federal Register* sometime in May or June, will address the concerns of county engineers and safety advocates. The result, he said, should be a guide acceptable to all.

—Herbert O. Klossner
Vice President
NACE North Central Region
Director of Transportation
Hennepin County, Minn.



AFSCME President Jerry Wurf

Wurf to Keynote in Tampa

WASHINGTON, D.C.—Jerry Wurf, president of the 750,000 member American Federation of State, County and Municipal Employees (AFSCME), will present the keynote dinner address on May 1 at NACo's Fourth Annual Labor Relations Conference for Counties in Tampa, Fla. He will discuss labor relations in county government from the union perspective.

AFSCME is the nation's largest union of public workers. Its membership includes blue and white collar employees in virtually all public sector service areas. Since Wurf became president in 1964, AFSCME's membership has tripled. In 1974 AFSCME surpassed the Teamsters as the most successful recruiter of public sector employees, and it is still growing at the rapid rate of 5,000 to 10,000 new members per month.

Wurf was elected a vice-president of the AFL-CIO and a member of its executive council in 1969. He founded and is a director of the Coalition of American Public Employees (CAPE), which includes AFSCME, the National Education Association (NEA), and other independent employee associations. Wurf also serves on the executive boards of the Committee for National Health Insurance and the Leadership Conference on Civil Rights. He is a member of the boards of the American Arbitration Association (AAA) and the Academy for Contemporary Problems.

THIS YEAR'S Labor Relations Conference features a two-track program designed to be useful both to policy makers and staff. Track I sessions are planned for those who are just beginning to be involved in this complex and rapidly developing area, and Track II for those who already have considerable knowledge and experience. General sessions will bring all participants up to date on recent legislative and judicial developments as well as on the impact of federally-mandated requirements on county personnel and labor relations operations.

Speakers at the Conference will include members of Congress, Administration representatives, labor leaders and academic, legal and practical experts in the field.

If you plan to attend the conference, fill out the registration and hotel reservation form below and send it now to ensure a room at the special rate. Debby Shulman, Ann Simpson or Bruce Talley of the NACo staff will be glad to answer any additional questions about the conference. Call any of them at 202/785-9577.

Needs of Elderly Viewed in Texas

PARKER COUNTY, Tex.—"When you get old, nobody listens."

This is the way Jerry Fisher, executive director, Parker County Commission on Aging, explained the unexpected results of a planning process which sought to investigate the needs of the elderly.

Last year Fisher obtained a grant from the Texas Committee on Humanities and Public Policy to conduct "Future of Aging" forums around this rural northern Texas county. Extensive publicity, plus free transportation, encouraged a sizeable number of older Parker County citizens to attend the meetings.

After all the meetings had been held, the county compiled a list of the priorities. The big surprise was the category which topped the list: "personal contact and reassurance."

"IT'S IRONIC," Fisher says, "that we started this process to find out how best to use money and resources to benefit older citizens, only to find the thing they desired most could not be bought."

On the other hand, the other priorities—transportation, income, nutrition, medical care—could benefit from financial and political support.

The final forum was a meeting between 170 county citizens and a panel of county, city, and school officials, plus a few academics from colleges throughout the state.

The audience posed questions. The academics expressed their views on local government's role. The local officials got a chance to express their interest in certain programs, but also to explain financial limitations.

Commissioner Wayman Wright endorses this approach.

"We're using the small-group technique that we used in the forums," Fisher explains, adding, "Because the planning and decision-making includes so many people it takes time. But once this step is made, the implementation moves quickly because of citizen involvement, commitment and support."

SINCE THE FORUMS concluded the community has shown that it has, indeed, listened to the elderly and can respond to their needs:

- The county commissioners voted to provide $4,000 to support a senior service center. The county's Ministerial Alliance passed a resolution asking churches to support the center, and one church made the first donation shortly afterwards. The city of Weatherford donated $1,500 for the center.
- Middle-school students began to develop visual-aids for a nutritional educational program. Weatherford College began planning a community education class on pre-retirement education.
- High school students began helping older people repair their homes; local businesses and a Methodist Church provided the money, materials and tools.
- Finally, a workshop was organized by the county's Committee on Aging and North Texas State University to allow community leaders to set goals in areas where needs are not currently being met.

Follow-up discussions on home health care, better countywide transportation, and rural health screening clinics are taking place among county and city officials, local businessmen, ministers and health professionals.

—Phil Jones, NACoR

Noise Curbs on Motorcycles Set

WASHINGTON, D.C.—Counties will be suffering less annoyance from motorcycle noise if new regulations, proposed in the March 15 *Federal Register*, go into effect.

The Environmental Protection Agency (EPA) regulations, which apply also to mopeds or motorized bicycles, if fully complied with, will cause an average five decibel reduction in new street motorcycle sound levels by 1985, and a two to nine decibel reduction in sound levels of off-road motorcycles.

"The most difficult problem in reducing motorcycle noise," according to David Hawkins, EPA assistant administrator for air and waste management, "will be keeping owners from removing the mufflers or attaching ineffective mufflers. To control noise from this kind of tampering, local motorcycle noise control programs are essential." He said EPA will be helping states and localities establish and enforce local ordinances which prevent tampering or modification of motorcycle muffler systems.

EPA will hold three series of public hearings on the proposed motorcycle noise regulations: April 28, 29 and May 1, Anaheim, Calif.; May 5, St. Petersburg, Fla.; May 9, Washington, D.C. Written comments concerning the regulations or requests to make a presentation at any of the public hearings should be sent to: Motorcycle Noise (AW-490), EPA, Washington, D.C. 20460.

The Fourth Annual Labor Relations Conference

April 30-May 2, 1978
Host International Hotel
Tampa, Florida

Delegates can both preregister for the conference and reserve hotel space by completing this form and returning it to NACo.

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

All Advance Conference Registrations must be postmarked no later than April 20. After the 20th, you must register on-site at the hotel and there will be an additional $5 charge per registrant.

Refunds of the registration fee will be made if cancellation is necessary, **provided that written notice is postmarked no later than April 17.**

A two-track program is planned to meet the needs of both novices (Track I) and experienced practitioners (Track II). To help us plan the function space, please indicate whether you are primarily interested in either:

☐ Track I ☐ Track II

Conference registration fees: (Make payable to NACo) $95 Advance $100 On-Site

Conference Registration

Please print:

Name ______________________________
(Last) (First) (Initial)

County ______________ Title ______________

Address ______________________________

City ________ State ________ Zip ________ Tele. (____) ________

Hotel Reservation (Host International)

Special conference rates will be guaranteed to all delegates whose reservations are **postmarked by April 7.** After that date, available housing will be assigned on a **first come basis.**

Please print:

Occupant's Name ______________________________ Single $28

*Arrival Date/Time ______________ Departure Date/Time ______________

Occupants' Names ______________________________ Double $34

*Arrival Date/Time ______________ Departure Date/Time ______________

FOR OFFICE USE ONLY

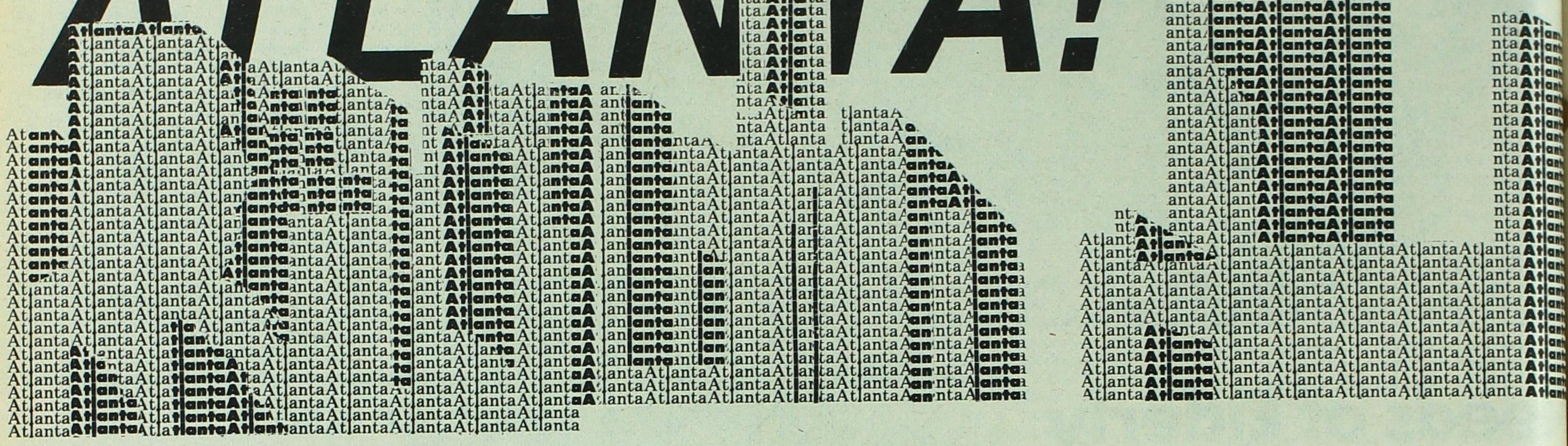
Reg. check/P.O. # ________ Housing Deposit Check # ________

Amount $________ Amount $________

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

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

FULTON COUNTY ATLANTA!



NACo 43rd Annual Conference

and Educational Exhibits

July 8-13, 1978 at the Georgia World Congress Center

Delegates to NACo's 1978 Annual Conference can preregister for the conference and reserve hotel space by completing this form and **returning it to NACo.** Check if this is your **first NACo Annual Conference.** ☐

CONFERENCE REGISTRATION

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

Refunds of the registration fee will be made if cancellation is necessary, provided that **written notice is postmarked no later than June 30, 1978.**

Conference registration fees:

$95 member $125 nonmember $50 spouse $30 youth **(Make check payable to NACo)**

Name________________ County________________

Title________________ Telephone (______)________________

Address________________

City________________ State________________ Zip________________

Spouse, if registering________________ Age of youths attending________________

For office use only

Check #________________

Check amount:________________

Date received:________________

HOUSING RESERVATION:

Special conference rates will be guaranteed to all delegates whose reservations are sent to the NACo office and are postmarked by June 24. After that date, available housing will be assigned on a first-come basis.

Hotel	Single	Double/Twin	Suites
1. Atlanta Hilton (NACTFO)	$36-55	$48-67	$120 up
2. Hyatt Regency Atlanta (NACE)	35-49	45-59	110 up
3. Marriott Motor	35-50	45-60	125 up
4. Omni International (SOLD OUT)			
5. Peachtree Center Plaza (NACRC)	36-49	46-59	100 up

Room type

single________ twin________
double________ suite________

Hotel preference

1st choice________________
2nd choice________________
3rd choice________________

Names________________

Arrival date/time________________ Departure date/time________________

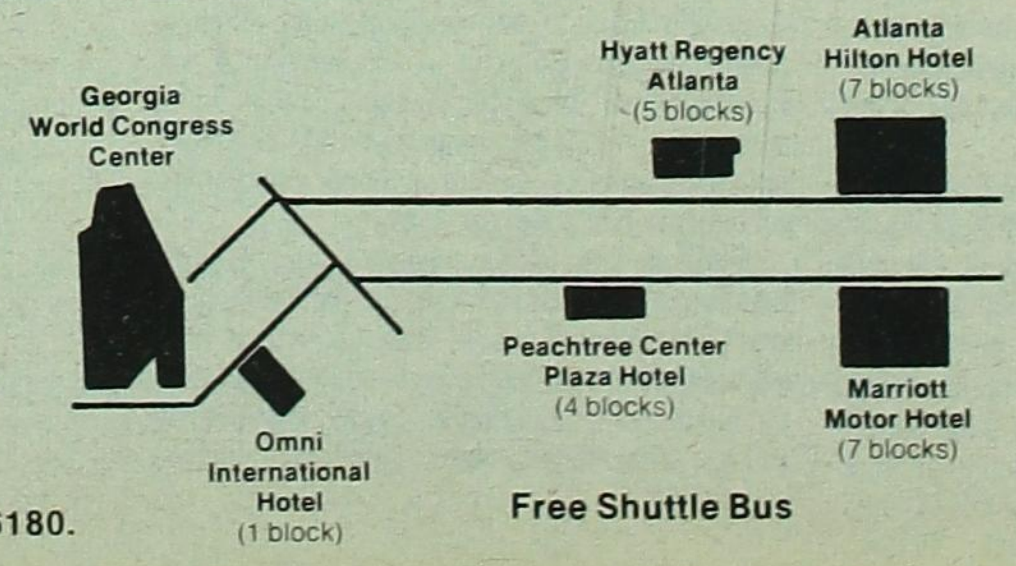
Credit card company and number________________

No room deposit required. Rooms may be guaranteed by credit card number.

☐ Check here if you have a housing related disability.

Send preregistration and hotel reservation to:

National Association of Counties
Annual Conference
1735 New York Ave., N.W.
Washington, D.C. 20006



Free Shuttle Bus

For further housing information, call NACo Conference Registration Center: (703) 471-6180.

To the Congress

From the Office of the White House Press Secretary, March 27, 1978.

A Message from the President

I submit today my proposals for a comprehensive national urban policy. These proposals set a policy framework for actions my Administration has already taken, for proposed new initiatives, and for our efforts to assist America's communities and their residents in the years to come. The policy represents a comprehensive, long-term commitment to the nation's urban areas.

The urban policy I am announcing today will build a New Partnership involving all levels of government, the private sector, and neighborhood and voluntary organizations in a major effort to make America's cities better places in which to live and work. It is a comprehensive policy aimed both at making cities more healthy and improving the lives of the people who live in them.

The major proposals will:

- Improve the effectiveness of existing federal programs by coordinating these programs, simplifying planning requirements, reorienting resources, and reducing paperwork. And the proposals will make federal actions more supportive of the urban policy effort and develop a process for analyzing the urban and community impact of all major federal initiatives.
- Provide employment opportunities, primarily in the private sector, to the long-term unemployed and the disadvantaged in cities. This will be done through a labor-intensive public works program and tax and other incentives for business to hire the long-term unemployed.
- Provide fiscal relief to the most hard pressed communities.
- Provide strong incentives to attract private investment to distressed communities, including the creation of a National Development Bank, expanded grant programs and targeted tax incentives.
- Encourage states to become partners in assisting urban areas through a new incentive grant program.
- Stimulate greater involvement by neighborhood organizations and voluntary associations through funding neighborhood development projects and by creating an Urban Volunteer Corps. These efforts will be undertaken with the approval of local elected officials.
- Increase access to opportunity for those disadvantaged by economic circumstance or a history of discrimination.
- Provide additional social and health services to disadvantaged people in cities and communities.
- Improve the urban physical environment and the cultural and aesthetic aspects of urban life by providing additional assistance for housing rehabilitation, mass transit, the arts, culture, parks and recreation facilities.

America's communities are an invaluable national asset. They are the center of our culture, the incubators of new ideas and inventions, the centers of commerce and finance, and the homes of our great museums, libraries and theaters. Cities contain trillions of dollars of public and private investments—investments which we must conserve, rehabilitate and fully use.

The New Partnership I am proposing today will focus the full energies of my Administration on a comprehensive, long-term effort. It will encourage states to redirect their own resources to support their urban areas more effectively. It will encourage local governments to streamline and coordinate their own activities. It will offer incentives to the private sector to make new investments in economically depressed communities. And it will involve citizens and neighborhood and voluntary organizations in meeting the economic and social needs of their communities.

The New Partnership will be guided by these principles:

- Simplifying and improving programs and policy at all levels of government.
- Combining the resources of federal, state and local government, and using them as a lever to involve the even greater strength of our private economy to conserve and strengthen our cities and communities.
- Being flexible enough to give help where it is most needed and to respond to the particular needs of each community.
- Increasing access to opportunity for those disadvantaged by economic circumstances or history of discrimination.
- And above all, drawing on the sense of community and voluntary effort that I believe is alive in America, and on the loyalty that Americans feel for their neighborhoods.

The need for a New Partnership is clear from the record of the last 15 years. During the 1960s, the federal government took a strong leadership role in responding to the problems of the cities. The federal government attempted to identify the problems, develop the solutions and implement the programs. State and local governments and the private sector were not sufficiently involved. While many of these programs were successful, we learned an important lesson: that the federal government alone has neither the resources nor the knowledge to solve all urban problems.

An equally important lesson emerged from the experience of the early 1970s. During this period, the federal government retreated from its responsibilities, leaving states and localities with insufficient resources, interest or leadership to accomplish all that needed to be done. We learned that states and localities cannot solve the problems by themselves.

These experiences taught us that a successful urban policy must build a partnership that involves the leadership of the federal government and the participation of all levels of government, the private sector, neighborhood and voluntary organizations and individual citizens.

Prior Actions

The problems of our nation's cities are complex and deep-seated. They have developed gradually over a generation as a result of private market and demographic forces and inadvertent government action; and the problems worsened markedly during the early 1970s.

These problems will not be solved immediately. They can be solved only by the long-term commitment which I offer today, and by the efforts of all levels of government, the private sector and neighborhood and voluntary organizations.

For my Administration, this commitment began on the day I took office and it will continue throughout my presidency. With the cooperation of Congress, my Administration has already provided substantial increases in funding in many of the major urban assistance programs. Total assistance to state and local governments has increased by 25 percent, from $68 billion in fiscal '77 to $85 billion in fiscal '79. These increases are the direct result of actions we have taken during the past 14 months. They are as much a part of my Administration's urban policy as the initiatives which I am announcing today. Some of the most important programs have already been enacted into law or proposed to the Congress. These include:

- A $2.7 billion increase over three years in the Community Development Block Grant Program, accompanied by a change in the formula to provide more assistance to the older and declining cities.
- A $400 million a year Urban Development Action Grant Program providing assistance primarily to distressed cities.
- An expansion of youth and training programs and an increase in the number of public service employment jobs, from 325,000 to 725,000. Expenditures for employment and training doubled from fiscal '77 to fiscal '79 to over $12 billion.
- A $400 million private sector jobs proposal has been included in my proposal to reauthorize the CETA legislation. This initiative will encourage private businesses to hire the long-term unemployed and the disadvantaged.
- A 65 percent increase in grants provided by the Economic Development Administration to urban areas.
- A 30 percent increase in overall federal assistance to education, including a $400 million increase in the Elementary and Secondary Education Act, targeted in substantial part to large city school systems with a concentration of children from low-income families.
- An economic stimulus package enacted last year (Antirecession Fiscal Assistance, Local Public Works and CETA), which provided almost $9 billion in additional aid to states and cities.
- A welfare reform proposal which, upon passage, will provide immediate fiscal relief to state and local governments.
- A doubling of outlays for the Section 312 housing rehabilitation loan program.
- Creation of a consumer cooperative bank which would provide financing assistance to consumer cooperatives which have difficulty obtaining conventional financing.

Improvements in Existing Programs

The Administration's Urban and Regional Policy Group (URPG) has examined all of the major urban assistance programs and proposed improvements. It has also worked with agencies traditionally not involved in urban policy, such as the Defense Department, the General Services Administration, and the Environmental Protection Agency, and has developed proposals to make their actions more supportive of urban areas. As a result of this massive effort, the federal government has become more sensitive to urban problems and more committed to their solutions.

The review of existing federal programs has resulted in more than 150 improvements in existing programs. Most of these improvements can be undertaken immediately through administrative action. Some will require legislation. None will increase the federal budget.

A few examples of the improvements are:

- All agencies will develop goals and timetables for minority participation in their grants and contracts—five major agencies have already begun.
- The Defense Department will set up a new program to increase procurement in urban areas.
- EPA will modify its water and sewer program to discourage wasteful sprawl.
- HUD has retargeted the Tandem Mortgage Assistance Program to provide greater support for urban housing.
- The existing countercyclical fiscal assistance program will be retargeted to help governments with unemployment rates above the national average.
- HUD and EDA are developing common planning and application requirements.
- The General Services Administration will attempt to locate federal facilities in cities whenever such a location is not inconsistent with the agency's mission.
- The Department of Transportation has proposed legislation to consolidate many categories of urban highway and transit grants, and to standardize the local matching share. These steps will provide local governments with greater flexibility to develop transportation systems suited to their needs.
- The Environmental Protection Agency will amend its regulations to accommodate new economic development in high pollution areas. Localities will be permitted to "bank" reductions in pollution which result from firms going out of business. These reductions then can be transferred to new firms locating in the community.

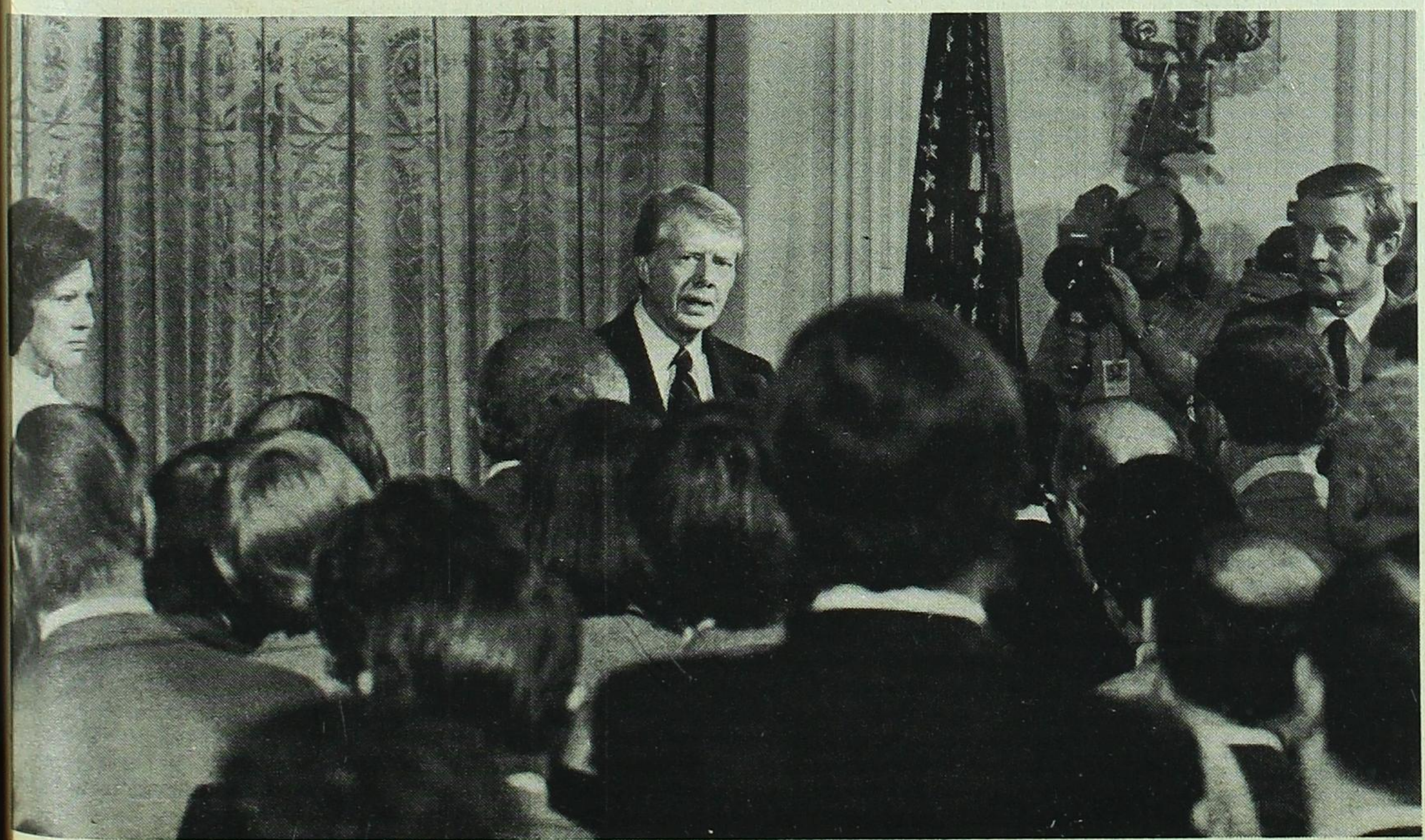
The effect of all these changes may be greater than even the substantial new initiatives which I have proposed in this message.

New Initiatives

The new initiatives which I am announcing today address five major urban needs:

- Improving the operation of federal, state and local governments.
- Employment and economic development.
- Fiscal assistance.
- Community and human development.
- Neighborhoods and voluntary associations.

These initiatives require $4.4 billion in budget authority, $1.7 billion in new tax incentives, and $2.2 billion in guaranteed loan authority in fiscal '79. For fiscal '80 the budget authority will be $6.1 billion, the tax incentives $1.7 billion and the guaranteed loan authority $3.8 billion.



President Carter gives urban policy address March 27.

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President's Urban Policy Message

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IMPROVING THE OPERATION OF FEDERAL, STATE AND LOCAL GOVERNMENTS

Federal Programs.

Over the long run, reorganization of the economic and community development programs may be necessary. Last June, I directed my reorganization project staff in the Office of Management and Budget to begin exploring the reorganization options. They have completed the first stages of this work. During the next several months, they will consult with the Congress, state and local officials and the public to develop the best solution.

There are several actions I will take immediately.

- **Urban and Community Impact Analysis.** I am implementing a process through my Domestic Policy Staff (DPS) and Office of Management and Budget (OMB) to ensure that we do not inadvertently take actions which contradict the goals of the urban policy. Each agency submitting a major domestic initiative must include its own urban and community impact analysis. DPS and OMB will review these submissions and will ensure that any antiurban impacts of proposed federal policies will be brought to my attention.
- **Interagency Coordinating Council.** To improve program coordination, I will form an Interagency Coordinating Council, composed of the assistant secretaries with major program responsibilities in the key urban departments. The council will have two functions.

It will serve as a catalyst for operational improvements which cut across departments (for example, instituting uniform grant applications); and it will encourage interagency cooperation on projects which are too large or too complex to be funded by one agency. This council will, for the first time, provide a coordinated federal response to communities which develop comprehensive and multiyear projects. It will have direction from the Executive Office of the President.

- **Consolidating Planning Requirements and Other Management Improvements.** We soon will announce the consolidaton of intra-agency planning requirements. I have asked the director of the Office of Management and Budget to direct an interagency task force to improve the management of federal grant-in-aid programs and consolidate the numerous planning requirements in the community and economic development grant programs.
- **Improved Data and Information.** I have asked the Secretary of Commerce, in her capacity as chair of the Statistical Policy Coordination Committee, to design an improved urban data and information system. At the present time much of this data is inadequate or out of date.

The Role of State Governments

State government policies, even more than federal policies, are important to the fiscal and economic health of cities. States affect their cities in a number of ways, including setting taxation and annexation powers, determining the placement of major development investments and apportioning the financial responsibility for welfare and education expenditures.

The federal government has little or no control over these developments, all of which clearly affect the economic and fiscal health of cities and communities.

These state responsibilities underscore the need for an urban policy which includes the states as full and equal partners. The effectiveness of our urban policy will be enhanced if the states can be encouraged to complement the federal effort.

To encourage states to support their urban areas, I will offer a new program of state incentive grants. These grants will be provided, on a discretionary basis, to states which adopt approved plans to help their cities and communities. The plans must be developed with the participation and approval of communities within the state. The grants will be provided to the states to finance a portion of the plan. The State Incentive Grant Program will be administered by HUD and will provide $400 million over two years.

Local Government Role

Many communities and cities can improve management and planning improvements by reforming fiscal management practices, streamlining local regulatory procedures, and coordinating local community and economic development activities.

The federal government provides planning and technical assistance to communities through HUD and Commerce to help cities improve their management and planning practices. These funds will be used increasingly to build the local government's capacity to undertake the necessary fiscal and management reforms.

The federal government will offer special consideration in discretionary programs to cities which achieve coordinated action at the local level.

EMPLOYMENT AND ECONOMIC DEVELOPMENT

There is a serious shortage of jobs for many residents of our urban areas and a lack of investment to build the tax base of our cities.

The urban policy will address this issue in two ways.

In the short run, it will provide additional employment opportunities through a labor-intensive public works program, a targeted employment tax credit, and a private sector training and jobs initiative to encourage businesses to hire the hardcore unemployed, together with the extension I have already proposed in employment and training opportunities under the CETA act.

In the long run, the policy attempts to rebuild the private sector economic base of these communities through a National Development Bank, a special tax incentive, an increase in economic development grants and other incentives.

Labor-Intensive Public Works

I ask Congress for $1 billion a year for a program of labor-intensive public works, targeted on communities with high unemployment. Half of the estimated 60,000 full-time equivalent jobs created annually by this program will be reserved for the disadvantaged and the long-term unemployed. These workers will be paid at Davis-Bacon trainee wage levels.

This program will enable cities to make needed repairs on buildings, streets, parks, and other public facilities.

In contrast to the Local Public Works program—which involves projects requiring large equipment, material expenditures and a prolonged planning period—more of the funds under this labor-intensive program will go to job creation.

Targeted Employment Tax Credit

I also propose a Targeted Employment Tax Credit to encourage business to hire disadvantaged young workers between the ages of 18 and 24 who suffer the highest unemployment rates in the nation.

Under my proposal, private employers of young and disadvantaged, or handicapped workers would be entitled to claim a $2,000 tax credit for each eligible worker during the first year of employment and a $1,500 credit for each eligible worker during the second year.

I am proposing this Targeted Employment Tax Credit as a substitute for the expiring Employment Tax Credit. The current program costs $2.5 billion a year and has had little influence on hiring decisions. The Administration's targeted program will cost approximately $1.5 billion a year, with far greater impact.

Location of Federal Facilities

I will sign a new Executive Order directing the General Services Administration to give first priority to cities in locating new federal facilities or consolidating or relocating existing facilities. Under my Administration, federal facilities will be located in cities, unless such a location is inconsistent with the agency's mission.

Federal buildings and facilities can be an important source of jobs and of rental payments and, in many cities, a principal stabilizing force preventing decline.

The federal government should set an example for the private sector to invest in urban areas.

Federal Government Procurement

To assure that federal procurement is used to strengthen the economic base of our nation's cities and communities, I will:

- Strengthen the implementation of the existing procurement set-aside program for labor surplus areas, by directing the General Services Administration to work with each agency to develop specific procurement targets and to monitor their implementation. GSA will report to me every six months on the progress of each agency;
- Direct the Defense Department to implement an experimental program to target more of its procurement to high unemployment areas.

National Development Bank

I propose the creaton of a National Development Bank, which would encourage businesses to locate or expand in eocnomically distressed urban and rural areas. The bank would be authorized to guarantee investments totaling $11 billion through 1981.

To lower operating costs in urban areas, the bank would provide long-term, low-cost financing which, in conjunction with expanded grant programs administered by HUD and EDA, will reduce a firm's financing costs by up to 60 percent.

The bank uses four major financing tools:

- Grants of up to 15 percent of a firm's total capital cost, to a maximum of $3 million, for fixed assets of a project. The grants, which would be made under expanded EDA and HUD authorities, would cover expenditures for land assembly, site preparation, rehabilitation, and equipment.
- Loan guarantees, provided by the bank to cover three-quarters of the remaining capital costs up to a maximum of $15 million per project. The bank could, at its discretion, reduce the interest rate down to 2½ percent for particularly desirable projects. Bank financing would be conditioned on obtaining 21 percent of the project's total costs from private lenders.
- The ceiling for industrial reserve bonds in economically distressed areas would be increased from $5 to $20 million with the approval of the bank. A business which used this financing for a project could also receive a grant.
- The bank also will provide a secondary loan market for private loans in eligible areas to finance capital expenditures. This will be particularly beneficial to small businesses.

Bank projects will require the approval of state or local government economic development entities, which would be responsible to the elected local leadership. Distressed urban and rural areas would be eligible. Additional employment would be a key test of project eligibility.

The bank will be an interagency corporation, governed by a board composed of the Secretaries of HUD, Commerce and the Treasury. This will ensure coordination between the major economic, community development and urban finance agencies of the government.

The Office of Management and Budget is currently assessing the organization of the federal economic and community development activities. The bank will function on an interagency basis pending recommendations in this area.

Economic Development Grants

I propose substantial increases of $275 million each in the UDAG grant program and the EDA Title IX program. These increases will be used in conjunction with the financing incentives available from the National Development Bank.

Taken together these major increases will help leverage substantial new private sector investment in urban areas and address the long-term economic deterioration experienced by certain urban and rural areas.

Differential Investment Tax Credit

I propose that firms that locate or expand in economically distressed areas be eligible for a differential 5 percent investment tax credit, to a total of 15 percent for both structures and equipment. The credit would be available only to firms awarded "Certificates of Necessity" by the Commerce Department based on financing need and employment potential.

Commerce will be authorized to issue up to $200 million in certificates for each of the next two years.

Air Quality Planning Grants

I propose a $25 million planning grant program to help cities and communities comply with the Clean Air Act without limiting severely new, private sector investment within their areas.

I have also asked EPA, HUD and EDA to provide technical assistance to help local governments reconcile potential conflicts between air pollution and economic development goals.

Minority Business

Minority businesses are a critical part of the private sector economic base of many cities, communities and neighborhoods and provide important employment opportunities to city residents.

Continued on next page

County officials listen to the President's urban policy at a White House briefing.

Urban Policy Sent to Congress

Continued from page 14

I propose today two important initiatives which will increase the role of minority businesses in our economy. First, in comparison with fiscal '77 levels, we will triple federal procurement from minority businesses by the end of fiscal '79—an increase over our earlier commitment to double minority procurement.

In addition, I intend to ask all federal agencies to include goals for minority business participation in their contract and grant-in-aid programs. Five agencies—HUD, Commerce, EPA, Interior and DOT—already have proposed improvements in minority business programs. These programs all build on our successful experience with the Local Public Works Program.

Finally, I intend to facilitate greater interaction between the minority business community and the leaders of our nation's largest corporations.

Community Development Corporations

I propose that an additional $20 million be appropriated to the Community Services Administration as venture capital for the most effective Community Development Corporations. This assistance will help them have a substantial impact on their designated areas.

The funding will be made available for projects that receive support from local elected officials, involve leveraging private sector funds and are coordinated with HUD, EDA or the Small Business Administration.

Role of Private Financial Institutions

An effective urban strategy must involve private financial institutions. I am asking the independent financial regulatory agencies to develop appropriate actions, consistent with safe, sound and prudent lending practices, to encourage financial institutions to play a greater role in meeting the credit needs of their communities.

First, I am requesting that financial regulatory agencies determine what further actions are necessary to halt the practice of redlining—the refusal to extend credit without a sound economic justification. I will encourage those agencies to develop strong, consistent and effective regulations to implement the Community Reinvestment Act.

Second, I propose the creation of an Institute for Community Investment, under the Federal Home Loan Bank Board. The institute will bring together appraisers, realtors, lenders, building and insurance companies to develop a consistent approach toward urban lending and to train urban lending specialists.

Third, I propose a pilot program to create Neighborhood Commercial Reinvestment Centers under the comptroller of the currency. This proposal is an adaptation of the highly successful Urban Reinvestment Task Force housing credit concept to the commercial credit area. Neighborhood Commercial Reinvestment Centers will be local organizations, comprised of merchants and neighborhood residents, local government officials, and commercial banks which will provide business credit in urban neighborhoods. SBA, EDA, and HUD will work with the financial regulatory agencies to revitalize specific commercial areas.

Finally, I have asked the Secretary of Housing and Urban Development to chair an interagency task force to evaluate the availability of credit in urban areas and recommend appropriate further action. I have asked the task force to examine and make recommendations with respect to the following areas:

- The availability of mortgage and commercial credit in urban areas, and the impacts of the activities of federal agencies on such credit;
- Existing mortgage insurance, casualty insurance and business credit insurance programs;
- The full range of urban credit and insurance risk reduction techniques.

FISCAL ASSISTANCE

While the fiscal condition of many state and local governments has improved dramatically over the last three years, many cities and communities still are experiencing severe problems. These cities and communities require fiscal assistance from the federal government, if they are to avoid severe service cutbacks or tax increases.

Supplemental Fiscal Assistance

Cities and communities currently receive fiscal assistance through the Antirecession Fiscal Assistance Act (ARFA), which expires on Sept. 30, 1978. This program has been an effective tool for helping states and local governments withstand the fiscal impact of high unemployment.

Current unemployment projections, however, suggest that even if the ARFA program were extended in its current form, it would phase out by mid-fiscal '79, when unemployment is expected to drop below 6 percent. If the program is permitted to phase out, many cities and communities will experience severe fiscal strain.

I propose today that ARFA be replaced with a Supplemental Fiscal Assistance Program, which will provide $1 billion of fiscal assistance annually for the next two fiscal years to local governments experiencing significant fiscal strain. Further extension of this program will be considered together with general revenue sharing.

Fiscal Relief in Welfare Proposal

In addition, I propose to phase in the fiscal relief component of the Better Jobs and Income Act as soon as Congress passes this legislation, rather than in 1981 as originally planned.

COMMUNITY AND HUMAN DEVELOPMENT

A comprehensive program to revitalize America's cities must provide for community and human needs. This involves both physical facilities, such as parks, recreation facilities, housing and transportation systems, and the provision of health and social services.

Housing Rehabilitation

The conservation and upgrading of our housing stock is important to maintaining the strength of urban areas. Housing rehabilitation improves the quality of community life and provides construction jobs in areas of high unemployment.

I propose an additional $150 million in fiscal '79 for the Section 312 rehabilitation loan program, which will more than double the existing program. This expanded effort will permit the rehabilitation of small multifamily housing projects in distressed neighborhoods, for which financing presently is inadequate. In addition, expanded Section 312 funding will be used to strengthen the Urban Homesteading program.

Urban Transportation

In many cities, public transportation is inadequately financed. The federal government has begun to make substantial investments to rehabilitate, revitalize and construct urban transportation systems.

I have already submitted to Congress my proposals to extend and strengthen the highway and mass transit programs.

To supplement these efforts I today propose an additional $200 million for capital investments in intermodal urban transportation projects. These funds will be used to link existing transportation facilities in selected cities.

Resource Recovery Planning

Solid waste disposal is a growing problem in the many urban areas which face a shortage of landfill sites. At the same time, techniques to recover valuable resources and energy from solid waste have emerged.

I will request $15 million for the EPA to provide grants of $300,000 to $400,000 to cities for feasibility studies of solid waste recovery systems.

Arts and Culture

Cities are centers of culture and art, which thrive on the vitality of the urban environment.

To help renew and develop this artistic and cultural spirit, I propose a new Livable Cities program administered by the Department of Housing and Urban Development, with the participation of the National Endowment for the Arts. This program will provide up to $20 million in grants to states and communities for neighborhood- and community-based arts programs, urban design and planning, and the creation and display of art in public spaces. Historic preservation of buildings should also be encouraged.

Urban Parks and Recreation

The quality of life in urban areas is critically affected by the availability of open spaces and recreation facilities. Yet hard pressed communities often lack the resources to maintain and invest adequately in these amenities.

To address this problem, I propose a major new federal grant program. Urban communities will compete for funds to revive and rebuild parks and recreation facilities. Challenge grants totalling $150 million will be provided for construction and major rehabilitation of urban recreation systems, such as parks, tennis and basketball courts, swimming pools, bicycle paths, and other facilities. Cities will be awarded grants based on the quality of their planning, the degree of need and their ability to match the federal funds with private and local contributions.

Social Services

Urban revitalization efforts must be accompanied by efforts to help those in need to improve their own lives. A variety of income support and social service programs are designed to do this. Since 1974, however, the support given to state social service programs by the federal government has declined in real terms.

I propose an additional $150 million of new budget authority for the Title XX program. These funds will be used to improve the delivery of social services in urban areas—ranging from Meals on Wheels for the elderly to day care for children of working mothers—and to develop greater coordination between local, public and private agencies.

Health Services

Nearly 50 million Americans live in areas without adequate health services. These areas, many of which are in inner cities, suffer from higher infant mortality rates, greater poverty and shortages of health care personnel.

In underserved areas, emergency room and outpatient departments of city hospitals are used as the routine source of medical care by the poor, primarily due to the lack of private physicians. As these departments were not designed to provide comprehensive medical care, the hospital resources are strained and the poor often go without adequate care.

To help meet the primary health care needs of the urban poor and reduce the strain on city hospitals, I propose to expand federally supported Community Health Centers and to fund city-sponsored programs which provide comprehensive, but less costly, primary care services. The city-sponsored programs will enroll the medically indigent in existing health systems, such as HMOs. They also will help expand locally supported centers, reform hospital outpatient departments and provide comprehensive health services.

Education

Schools are the focus of community activities in many places. Yet they are seldom fully used or linked to other community and social services.

I intend to provide $1.5 million to expand the experimental Cities in Schools program which seeks to bridge the gap by uniting a number of social services within schools to better serve both students and their families. We intend to expand this promising new program to 10 pilot schools.

In addition, I urge the Congress to enact the $600 million increase in the Title I program of the Elementary and Secondary Education Act, which I recently proposed, including my recommendation that $400 million of these funds be targeted to cities and other areas with high concentrations of low-income families.

NEIGHBORHOODS AND VOLUNTEER ORGANIZATIONS

No resource of our urban communities is more valuable than the commitment of our citizens.

Volunteer groups, which gain strength from the selfless efforts of many individuals, make an indispensable contribution to their cities.

Urban Volunteer Corps

I propose a $40 million program in ACTION to increase the effectiveness of voluntary activities at the local level. With the agreement of local government, the program will create a corps of volunteers at the local level and match their skills with the needs of local governments and community and neighborhood organizations.

It also will provide small grants averaging $5,000 for voluntary improvement and beautification projects.

ACTION would select, with the concurrence of local government, a lead agency in each city to administer the Urban Volunteer Corps.

Self-Help Development Program

Neighborhood associations are playing a key role in housing and neighborhood revitalization. We must strengthen that role.

I will request $15 million in fiscal '79 for a self-help development program to be administered by the Office for Neighborhoods in HUD.

This new program will provide funds for specific housing and revitalization projects in poor and low-income areas. Each project would involve the participation of local residents, the private sector and local government and would require the concurrence of the mayor.

Crime Prevention

Street crime is a serious problem in America's cities and communities. Over the last few years a number of promising initiatives have been undertaken by community groups and local law enforcement agencies to combat street crime. Escort services for the elderly, centers to help the victims of crime, and neighborhood watchers are examples of promising developments.

I propose a program which will add $10 million in new resources to existing efforts in the Law Enforcement Assistance Administration for a program operated jointly by ACTION and LEAA. Under this program, mayors and local neighborhood groups will develop community crime prevention programs based on successful pilot models. My reorganization proposals for LEAA and the legislation I will submit to extend the Law Enforcement Assistance Act will strengthen our efforts at crime prevention.

Community Development Credit Unions

Some urban communities are not served by any financial institutions. Community Development Credit Unions address this problem by investing their assets in the communities in which they are established. This type of credit union was first established under the poverty programs in the 1960s. About 225 exist today, and many are the only financial institutions in their communities.

I am proposing a $12 million program to provide $200,000 seed capital for new Community Development Credit Unions, to provide them with an operating subsidy for staff, training and technical assistance.

The job of revitalizing the urban communities of our country will not be done overnight. Problems which have accumulated gradually over generations cannot be solved in a year or even in the term of a president.

But I believe that a New Partnership—bringing together in a common effort all who have a stake in the future of our communities—can bring us closer to our long-term goals. We can make America's cities more attractive places in which to live and work; we can help the people of urban America lead happier and more useful lives. But we can only do it together.

—Jimmy Carter
The White House
March 27, 1978

Washington Briefs

• **Fiscal Relief.** Payment of $187 million of fiscal relief for welfare costs (provided in Social Security bill) is held up pending legal determination by Senate Appropriations Committee.

• **Welfare Reform.** Comprehensive bill (H.R. 10950) reported out by House welfare reform subcommittee. No date set for consideration by House Ways and Means Committee. Chairman Al Ullman (D-Ore.) has introduced incremental bill (H.R. 10711). Senate committees holding hearings; no date set for markup. Sens. Howard Baker (R-Tenn.), Henry Bellmon (R-Okla.), Abraham Ribicoff (D-Conn.) and John Danforth (R-Mo.) have introduced incremental bill in Senate (S. 2777). See page 6 for complete analysis.

• **Lobby Registration.** House Judiciary Committee reported H.R. 8494 requiring associations of state, county and city officials to register under the bill, but exempting federal lobbyists. Bill likely to be on floor in two to three weeks. NACo strongly opposes registration by public officials and their employees.

• **Title XX.** House and Senate Budget Committees begin markup of the fiscal '79 budget April 3. The $200 million increase in Title XX (social services) must be included in both budgets if funding is to be available in fiscal '79.

• **H.R. 7200.** The Public Assistance Amendments bill should come to the Senate floor in late April. The House passed the bill last year and the Senate Finance Committee has modified it. Final Senate action has been delayed by the Panama Canal debate.

• **Older Americans Act.** HEW Secretary Joseph Califano testified before the House subcommittee on select education March 20 on the reauthorization of the Older Americans Act. Sen. Pete Domenici (R-N.M.) has introduced S. 2609 to amend the Older Americans Act.

• **CETA Reenactment.** The House subcommittee on employment opportunities will mark up H.R. 11086 beginning April 11. NACo testifies April 12. The Senate subcommittee on employment, poverty and migratory labor will mark up S. 2570 beginning April 24.

• **Full employment.** The House passed H.R. 50, the Full Employment and Balanced Growth Act, by a vote of 257 to 152.

• **National Energy Policy Act.** The energy conferees are expected to reach final agreement on natural gas pricing during this week. The conferees, six from the Senate and two from the House, have urged President Carter to accept the three portions of the act already agreed to if a compromise on natural gas is not reached at that time. If the President does not accept this proposal, the utility rate reform, coal conversion, and conservation portions of the act may have to await agreement on the difficult issue of taxes before any programs can be initiated.

• **Agricultural Land Retention.** Full House Agriculture Committee consideration on H.R. 11122, sponsored by Rep. James M. Jeffords (R-Vt.) and more than 60 other members, is expected during April. The bill would create a national commission to study solutions for slowing the conversion of prime agricultural land and would establish a program of demonstration grants to assist counties, other local governments and states to develop their own programs.

• **Solid Waste and Clean Air Appropriations.** The President's Urban Policy statement has requested an additional $15 million for local governments to conduct planning studies under the Resource Conservation and Recovery Act in fiscal '79 and $25 million for local government participation in revision of the State Implementation Plans for clean air in nonattainment areas. No funds were requested for fiscal '78.

• **Transportation.** Rep. Jim Howard (D-N.J.) has introduced the Surface Transportation Act of 1978. The bill provides authorizations for highway, bridges, safety and mass transportation programs.

• **Health Planning.** The House Commerce health subcommittee reported out H.R. 11488, the extension of the Health Planning and Resources Development Act. The bill includes provisions to expand the authority of public Health Service Agency boards. The bill will be marked up by the full Commerce Committee shortly. The Senate Human Resources health subcommittee has not yet acted on its version (S. 2410) of the health planning bill.

• **LEAA Appropriations.** NACo will testify before the House Appropriations subcommittee on state, justice, commerce and judiciary April 12 on the LEAA fiscal '79 appropriations request. The expected appointment of Sen. Edward Kennedy (D-Mass.) to replace retiring Sen. James Eastland (D-Miss.) as chairman of Senate Judiciary committee will affect prospects for reauthorization.

• **Countercyclical Assistance.** Rep. William Moorhead (D-Pa.) has introduced H.R. 11298 to extend the countercyclical antirecession assistance program for five quarters. The legislation would also reduce the national trigger to 5.5 percent. The current program, which will expire Sept. 30, phases out when national unemployment for a calendar quarter (or the last month of a quarter) falls below 6 percent. The current unemployment rate is 6.1 percent. The Administration has recommended a one-year extension at $1.04 billion and has included the program in its urban message. See page 7.

• **Municipal Securities Disclosure.** Sen. Harrison Williams (D-N.J.) has introduced S. 2339, Municipal Securities Full Disclosure Act of 1977. Bill would mandate preparation of annual report and distribution documents prior to issuing municipal bonds. No hearings scheduled yet.

• **Taxable Bond Option.** The Administration is proposing a taxable bond option (TBO) as part of its tax reform package. Request of $7.1 billion would offer local governments the option of issuing tax-exempt bonds or taxable bonds with federal government to subsidize increased interest rates. Counties oppose the TBO.

• **Municipal Bonds Underwriting.** Sen. William Proxmire (D-Wis.) introduced S. 2674 to amend the Glass-Steagall Act to authorize national banks to underwrite local government securities issues. Bill is companion to H.R. 7485, introduced by Rep. Gladys Spellman (D-Md.). Legislation would increase competition for municipal securities and result in savings to local governments. No date for hearings.

• **USDA Reorganization.** Sens. George McGovern (D-S.D.) and Robert Dole (R-Kan.) have introduced S. 2519 to create a new, expanded Department of Food, Agriculture and Renewable Resources incorporating the functions and responsibilities now located in other departments. Senate Agriculture subcommittee on nutrition to conduct hearings in spring.

• **Supplemental Appropriations for Rural Development.** House Appropriations subcommittee on agriculture expected to meet shortly on supplemental appropriations for current '78 fiscal year. NACo urging subcommittee to provide additional $50 million of unexpended authorizations for water and waste disposal grants to help meet current waiting list exceeding $650 million nationwide.

• **Rural Development Act.** House Agriculture Committee reported out Agricultural Credit Act of 1978, with bill number changed to H.R. 11504. Bill increases water and waste disposal authorization from $300 to $400 million and raises grant ceiling from 50 percent to 75 percent of project cost. Provision increasing rural development loan interest rates has been deleted. House vote set for this week.

Senate Agriculture Committee reported out companion legislation S. 1246. Bill amended in full committee to increase water and waste disposal grant authorizations to $1 billion and ceiling on grants to 75 percent of project cost. Senate vote scheduled to follow action on Panama Canal Treaty. Both bills also contain provisions for broad agricultural assistance. See story page 5.

• **Rural Housing Authorizations.** NACo testified in support of reauthorization of all rural housing programs before House subcommittee on housing and community development. County officials called on Congress to mandate implementation of $900 million above-moderate-income guaranteed loan program. House and Senate subcommittees to act in mid-April on reauthorizations. See story, page 5.

• **Rural Housing Act of 1978.** Reps. Stan Lundine (D-N.Y.) and Les AuCoin (D-Ore.) have introduced H.R. 11712, the Rural Housing Act of 1978. Legislation would establish a new home ownership loan program.

• **Rural Development Policy Act of 1978.** NACo testified in support of Rural Development Policy Act of 1978, sponsored by Reps. Richard Nolan (D-Minn.) and Charles Grassley (R-Iowa). Legislation would strengthen rural development responsibility of USDA, mandate coordination of rural development programs of all agencies, increase rural planning grant authorization from $10 million to $50 million, and change name of FmHA to the Farm and Rural Development Administration and USDA to Department of Agriculture and Rural Development. See story, page 5.

• **Rural Community Development Act.** NACo testified before House subcommittee on family farms and rural development on H.R 9983, Rural Community Development Act. The legislation is sponsored by Reps. Charles Grassley (R-Iowa) and Richard Nolan (D-Minn.). Counties urged subcommittee to alter provision restricting eligibility to only those communities and counties below 20,000. See story, page 5.

• **Public Liability.** Senate Judiciary subcommittee on the Constitution is considering S. 35, Civil Rights Improvement Act of 1977. NACo opposes provision in legislation that would eliminate immunity of state and local governments to suits brought under Section 1983 of the Civil Rights Act of 1871. Hearings scheduled May 2 and 3.

• **Public Pension Plan Report.** The House Pension Task Force of the subcommittee on labor standards, chaired by Rep. John Dent (D-Pa.), approved a comprehensive study of government employees retirement systems on March 15. The report will be ready for release in late April. The study covered more than 96 percent of all public employees participating in approximately 7,000 retirement plans. Legislation is expected to be introduced this summer regulating state and local pension plans, and setting standards in the areas of reporting, disclosure, and fiduciary responsibilities, according to Rep. John Erlenborn (R-Ill.), ranking minority member of the subcommittee.

• **Mandatory Retirement Legislation, H.R. 5383.** The House voted March 21 in favor of the Conference Report (95-950) to amend the Age Discrimination in Employment Act of 1967. The Senate adopted the report on Feb. 23. The bill is expected to be signed before April 8. The bill, which applies to federal, state and local government employees, raises the upper age limit of the act from 65 to 70 years effective Jan. 1, 1979. The bill is a first step in fighting "ageism," said Claude Pepper (D-Fla.), conference chairman, "a form of discrimination that belongs in a trinity with racism and sexism." The NACo membership adopted a resolution last year supporting the elimination of mandatory retirement for older Americans.

• **Intergovernmental Perso[nnel] Act (IPA) Appropriations.** H[ouse] subcommittee for Treasury, p[ostal] service and general governm[ent] chaired by Rep. Tom Steed (D-O[kla.]) is planning to hold hearings on fiscal '79 IPA appropriatons Ap[ril]. The Senate subcommittee, cha[ired] by Sen. Lawton Chiles (D-Fla.), hold hearings April 4. NACo testify urging Congress to [ap]propriate not less than $30 mi[llion] for fiscal '79. This is $10 mi[llion] above the Administration's bu[dget] request.

• **Reporting and Tax Liabi[lity] for Public Pension Plans.** The Se[nate] subcommittee on private pen[sion] plans and employee fringe bene[fits] chaired by Sen. Lloyd Bentsen [(D-]Tex.), held hearings on S. 1587. [The] bill, introduced by Sen. Richard S[tone] (D-Fla.), would correct an admi[nis]trative interpretation by the Inte[rnal] Revenue Service regarding repor[ting] requirements and tax liabilitie[s of] public pension plans under the [Em]ployee Retirement Income Secu[rity] Act of 1974 (ERISA). NACo testi[fied] in support. Rep. John Cunning[ham] (R-Wash.) has introduced an iden[tical] bill, H.R. 9118, but hearings hav[e not] yet been scheduled by the Ways [and] Means Committee. The Internal [Rev]enue Service plans to hold pu[blic] hearings on its proposed regulat[ions] April 13, 10 a.m. in Washing[ton]. Anyone interested in provi[ding] comments should contact Com[mis]sioner Jerome Kurtz, IRS, 1111 [Con]stitution Ave., N.W., Washing[ton] D.C., as soon as possible.

• **Deferred Compensation Pl[ans].** The Senate subcommittee on pri[vate] pension plans and employee fr[inge] benefits held hearings on S. 262[?, in]troduced by Sen. Mike Gravel [(D-]Alaska). Most of the testim[ony] favored the bill. No hearings [have] been scheduled by the House W[ays] and Means Committee on H.R. 1[?] or H.R. 10893. The three bills [are] aimed at reversing a prop[osed] Treasury ruling (*Federal Regi[ster]*, Feb. 3) which will affect the benefits of employees particip[ating] in deferred compensation progr[ams] in state and local governments. [The] NACo Board of Directors has a[dop]ted a resolution supporting t[he] bills. Counties should contact m[em]bers of the House Ways and Me[ans] Committee, the Senate Fin[ance] Committee or their own congress[men] to present their views. Contact [?] Simpson at NACo for more i[nfor]mation.

• **Social Security Financi[ng].** Both House and Senate subcom[mit]tees have begun hearings [on] proposals to revise the financi[ng of] the Social Security Amendmen[ts of] 1977 approved by the Presiden[t in] December. The legislation would [pay] for some of the costs of S[ocial] Security through general reve[nues] rather than through higher pa[yroll] taxes. The bills are gaining sup[port] in Congress and Reps. James B[urke] (D-Mass.) and Barber Conable [(R-]N.Y.) have stated that Congre[ss is] likely to pass legislation this [year] using general revenue funding.

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