County News

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CONFERENCE CANCELLATION

The National Conference on County Government Leadership in Managing the Drug Crisis, scheduled for May 29-31 in Chicago, Ill. has been chacelled.

Plans are underway to reschedule the conference this fall.

Major progress on clean air: Senate passes bill; House committee acts

By Barbara Paley
associate legislative director

The week may have begun with April Fool's Day, but it ended with stunning and decisive victories for the advocates of clean air. On April 3, the Senate passed its version of the Clean Air Act (S. 1630) by an impressive 89-11 margin. Two days later, the House Energy and Commerce Committee reported its clean air bill (H.R. 3030) to the full House by a similarly lopsided margin of 39-4.

Both bills are designed to give federal, state and local governments an assortment of powerful new tools to reduce smog, toxic air pollutants and acid rain. Although there are significant differences in the approaches taken by the two bills, last week's congressional action breaks a decade-long stalemate which has prevented the enactment of any major new clean air legislation since 1980.

S. 1630 and H.R. 3030 call for increased emphasis on controlling tailpipe emissions. Motor vehicles are the main source of hydrocarbons and nitrogen oxides (NOx) that lead to the formation of ozone, a dangerous respiratory irritant. The Senate bill contains two rounds of mobile source controls. The first involves a 39 percent reduction in emissions of hydrocarbons and a 60 percent reduction in NOx to be achieved by 1995. An additional 50 percent cut in the level of both pollutants would go into effect if 12 of the 27 seriously polluted areas continue to be out of compliance by 2001. This second tier of controls would then be required in model year 2003.

The House bill calls for the same first set of mobile source reductions to take place by 1996. However, additional controls would be required only if recommended by the Environmental Protection Agency (EPA).

Another difference in the bills concerns the use of alternative fuels. The legislation passed by the Senate mandates the sale of "reformulated gasoline" (gasoline cleansed of many pollution-causing elements) in the nine most polluted cities by 1995. An even cleaner fuel would be required by 1997 for fleets of vehicles owned or operated by all governments and by private firms.

H.R. 3030, on the other hand, merely requires that automakers certify they have the "capability" to produce one million clean fuel cars by 1997. The issue of clean, alternative fuels has been one of the most hotly contested parts of the bill. An amendment introduced by U.S. Representative Bill Richardson (D-N.M.) that would have required the use of reformulated gasoline was defeated by the Energy and Commerce Committee by 21-20. Proponents of a strong alternative fuels program have promised a floor fight on this issue.

There is a great deal of similarity in the acid rain provisions in both House and Senate bills. Each calls for a 50 percent cut in emissions of sulfur dioxide (SO_2) by the year 2000. Total emissions across the nation would be capped at 1980 levels, about half of the current SO_2 emissions. The Senate bill attempts to give utilities an incentive to purchase cleanup technology that would allow them to continue using high sulfur coal. For every ton of sulfur dioxide that a utility reduces below its required limit, it would earn a credit that could be banked for future expansion or sold to another plant — even one located in another state. The money earned from the sale of credits could then

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Local tax deductions may be at-risk, again

By Susan J. White
associate legislative director

As the U.S. House Budget, and House Ways and Means Committees prepare to come up with the $15 billion in new taxes proposed in the president's budget, they are looking at ways to eliminate or restrict the state and local income or property tax deductions. Reports in the *Wall Street Journal* say that congressional leaders, including Speaker of the House Tom Foley (D-Wash.) and U.S. Representative Dan Rostenkowski (D-Ill.), chairman of the House Ways and Means Committee, have discussed a "potential revenue raisers list" which includes these options.

The issue is a fundamental one for counties. Proposals to cut or eliminate deductibility strike at the basic principle of federalism that has been inherent in the income tax system since it was first enacted in 1913. Indeed, going back to the emergency income tax imposed over 120 years ago to finance the Civil War, deductibility has always been accepted as an essential constitutional principle to protect the integrity and fiscal independence of the separate states and local governments.

Repeal of deductibility would be a direct interference with the most fundamental of all state and local government rights — the power of each to raise revenue and finance services as it deems appropriate.

Ann Klinger, NACo president said in letters to U.S. Representatives Rostenkowski, and Leon Panetta (D-Calif.), chairman, House Budget Committee, that, "this proposal only continues the squeeze on state and local governments at a time when we are attempting to finance increasing public service demands with less dollars from the federal government."

Grant-in-aid to state and local governments has been slashed by more than 50 percent over the last decade and major national studies show that the counties have raised revenues to replace lost federal dollars.

Klinger emphasized that, "county officials also continue to raise revenues in response to nonstop mandates from Washington." She said, "It is difficult enough to finance cost-shifting at the local level with the most unpopular of revenues — the property tax. Elimination or restriction of the deduction for this tax will make it even harder for counties to raise necessary revenues."

The negative impact of the loss of deductibility on middle-income Americans is also at issue. This is a tax deduction taken by many more middle class households than the home mortgage interest deduction and is the largest single deduction taken by the nation's taxpayers.

Counties should contact their members of Congress and urge them to oppose all efforts to eliminate or restrict the state and local tax deduction.

NACo urging special postal rate

Bill Melton, Dallas County, Texas treasurer and immediate past president of the National Association of County Treasurers and Finance Officers is leading efforts to organize grass roots support for a "local government postal rate."

At the Legislative Conference, March 18, NACo's Board of Directors adopted a Taxation and Finance Steering Committee Resolution urging the U.S. Postal Service to consider instituting a local government postal rate as part of its current proposal to increase postage rates across the board. (The complete resolution is reprinted on page 2.) Melton is urging NACo members to write to the postmaster general in support of the resolution.

In its lead editorial, April 4, the *Dallas Times Herald* supported NACo's position, calling it "an eminently reasonable request."

The editorial also pointed out that the proposed rate increase will cost Dallas County half a million dollars in its first year and argued that since the Postal Service already has several classes of mail, including reduced rates for organizations serving a social function, "it is reasonable to ask why local governments are not treated similarly."

Written comments in support of a local government postal rate should be mailed to: Postmaster General Anthony M. Frank, 475 L'Enfant Plaza, Washington, D.C. 20260-0010.

Jim Rout, commissioner
Shelby County, Tenn.

America's counties

Spotlighting county finance

Jim Rout, commissioner
Shelby County, Tenn.

By Jim Rout
commissioner
Shelby County, Tenn.

In reflecting on our most recent legislative conference in Washington, D.C., one has to only look at the packed agenda including numerous speakers, workshops, and committee meetings to realize and understand the importance of county governments to this great nation of ours. Taking that a step further, we then have a many priorities that have been established because of our own individual relationships in our home counties, as well as areas of interests. These are transferred then into topics placed under the National Association of Counties Steering Committee process for appropriate action. Ultimately, each of theses actions will require resources in the form of people, legislation or finances, or all of the above. From that standpoint, the importance of a strong fiscal policy and strong positions as they relates to the financial and taxation issues before the Congress become paramount.

We must have a strong foundation upon which to address issues that are pressing each of us as elected officials. From that standpoint, the Taxation and Finance Steering Committee, because of the wisdom and foresight of President Ann Klinger, has appointed three subcommittees: the Tax-Exempt Bond Subcommittee, the Federal/State/County Fiscal Relations Subcommittee and the Fiscal Management Subcommittee. Looking at those for a moment gives us some insight into the work that needs to be done as we go forward into the '90s and beyond.

Tax-exempt bonds are being attacked on every side; however, this very vital mechanism for local governments must remain intact as a financial mechanism for the tremendous needs throughout our country particularly in the area of infrastructure. Also, from the standpoint of an attractive consumer investment, we must maintain the status of tax-exempt bonds as we have grown to know them and to utilize them.

So many of today's pressures on counties will ultimately need to be addressed through tax-exempt financing. These include, public hospitals, correction centers, and educational and environmental needs, to name a few. More specifically, we need to zero in on not-for-profit 501(c)(3) hospitals to ensure that they provide a reasonable level of care for the indigent in our communities in return for their tax-exempt status and ability to use tax-exempt bonds. While asking for federal tightening in this area, we need to make certain that we lose none of the advantages that we as counties enjoy in the tax-exempt bond area.

The collection of interstate sales taxes is another priority for our steering committee. It is inappropriate for local businesses to respond to the taxation requirements, while allowing mail-order companies to sell services in their backyard without being required to pay local sales taxes, as well. There must be a relentless effort on our part to continue to follow this issue and press for those taxes to be collected on all interstate sales.

Another area where one of our subcommittees, the Fiscal Management Subcommittee, will be spending a good deal of time, is helping to educate the rating agencies, such as Standard and Poors and Moody's Investor Services, about local government financial responsibilities and process. This will afford them a greater understanding of local government and should afford us, at the county levels throughout America, the possibility of improved bond ratings.

I look forward, as chair of NACo's Taxation and Finance Steering Committee, to working with NACo and other county officials throughout the country, to address these issues and others throughout the year.

(Ed. Note: Commissioner Rout is chair of NACo's Taxation and Finance Steering Committee.)

Kennedy-Hatch AIDS bill sails through committee

By Thomas L. Joseph, III
associate legislative director

The Senate Labor and Human Resources Committee passed, by a vote of 16-0, the Comprehensive AIDS Resources Emergency Act (S. 2240). Authored by U.S. Senators Edward Kennedy (D-Mass.) and Orrin Hatch (R-Utah), the bill has two major provisions that will assist local governments in planning and delivering services to people with HIV infection.

While Title I addresses the 13 urban counties and cities currently hit hardest by the disease, the second title provides funds to all 50 states to finance varied services.

Under Title II, funding would be available to establish networks of AIDS/HIV providers in local communities to reduce service gaps and duplication. Funds could also be used to provide home and community-based care; continuance of health insurance; therapeutic treatments (e.g. AZT); and early intervention services. These local groups would apply to the state for funding.

In the bill that passed the committee, greater recognition is given to rural area needs and outreach than in the original bill. The distribution formula was also changed to reflect the under-reporting of cases which occurs in rural areas. The committee intends that this change should assist states with rapidly growing AIDS cases who have not had as much experience responding to the disease.

Through the work of NACo and the U.S. Conference of Mayors, the Title I disaster assistance section was also improved. The administrative costs allowed was increased from two to five percent and the language directing the funds to the chief elected official of the urban county or city with primary responsibility for public health was retained.

Over the next few weeks, NACo will be assisting in the drafting of report language that essentially explains to other members of Congress and the administration the intent of the statutory language. Once the report is written, the bill will be ready for floor action, perhaps as early as the first part of May.

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help defray the cost of the new equipment.

The House bill adopted some of the same incentives contained in the Senate bill. However, it requires much smaller cutbacks in dirty plants and sets standards that are twice as stringent for coal-burning Department of Energy facilities in the Midwest. The purpose is to expand the use of scrubbers, therefore guaranteeing continued use of local coal.

The House bill also allows plants in clean states to expand without buying credits from dirty plants. Thus high-growth states, such as Florida, that fear utilities in the Midwest and Appalachia would hoard their credits, can participate in an annual auction in which every plant would have to put five percent of its credits in a national pool and sell them to the highest bidder.

Again, both measures address air pollution caused by toxic chemicals by requiring industry to install "Best Available Control Technology (BACT) by 2000 to control sources of 200 toxic substances. The Senate bill provides for setting a standard of residual risk with a goal of no more than 1 in 10,000 odds of causing cancer. The bill approved by the House committee has EPA limiting residual risk with an "ample margin of safety," as in current law.

H.R. 3030 is expected to go to the House Floor in time to coordinate with the nation's celebration of Earth Day on April 22. Following passage, it will be the subject of further revision in a House-Senate Conference. Most commentators do not expect a bill to get to the president's desk until early fall.

Halpin offers little hope for HOPE

By Haron N. Battle
associate legislative director

Criticizing the administration's housing proposal, HOPE, as too narrowly focused, Patrick Halpin, county executive for Suffolk County, N.Y., repeated NACo's support for the Housing Opportunity Partnerships (HOP) program in the omnibus housing bill (S. 566). This bipartisan legislation is co-sponsored by U.S. Senators Alan Cranston (D-Calif.), chairman of the Housing and Urban Affairs Subcommittee, and Alfonse D'Amato (R-N.Y.), the subcommittee's ranking minority member.

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TAXATION AND FINANCE STEERING COMMITTEE RESOLUTION TO URGE THE UNITED STATES POSTAL SERVICE TO CONSIDER A LOCAL GOVERNMENT POSTAL RATE

WHEREAS, the United States Postal Service has filed notice for an increase in postage rates to be effective upon the approvement of all appropriate bodies; and

WHEREAS, such a postal increase will mandate a significant financial impact on local county governments throughout the United States for essential services provided by local entities, i.e. tax notices, voter registration forms, jury duty summonses, jury duty pay, general payments of local counties, et al; and

WHEREAS, in essence, such a postal rate increase will be a form of "double taxation" on local county government taxpayers, for required governmental services; and

WHEREAS, the United States Postal Service and local county governments should be working mutually for the benefit of local taxpayers, to whom they both provide a "service";

THEREFORE, BE IT RESOLVED that the National Association of Counties requests that the United States Postal Service strongly consider the institutions of a "local government postal rate" as a part of its current rate filing in an effort to reduce the burden of cost increases in postal rates to local county government taxpayers.

Adopted by the NACo Board of Directors
March 18, 1990

Testimony backs county role in CATV rates

By Robert Fogel
associate legislative director

NACo submitted a statement on cable television to the Communications Subcommittee of the Senate Commerce Committee at an April 4 hearing on the re-regulation of cable television.

In NACo's statement, NACo Executive Director John Thomas told the subcommittee that counties are becoming more involved in the franchising of cable television, and with increased involvement has come the problems associated with cable television. He said Congress should enact a law that will enhance the ability of local franchising authorities to protect the interests of consumers.

The Commerce Committee is expected to consider a new cable bill in late April or May and has been circulating a draft for comments.

This hearing and several earlier ones have been scheduled because of concerns expressed by consumers and local officials about increasing cable rates and level of service provided by cable operators. The Cable Communications Act of 1984 and subsequent decisions by the courts and the Federal Communications Commission (FCC) have effectively deregulated cable television and left county and other local government with little or no power in the areas of rate regulation, renewals, technical standards or consumer protection.

One of the key areas of concern to local governments has been their inability to regulate rates. "NACo believes that a franchising authority must have the authority to undertake rate regulation in the absence of effective competition from another cable operator or multichannel video programming distributor," Thomas said, "While the committee draft bill does allow local regulation, it needs to be clear that local authorities have some flexibility in setting rates." The committee draft proposes a national rate regulatory structure that the FCC would implement and oversee. Local franchising authorities that adopt FCC guidelines would be allowed to regulate rates.

Some of the other areas that the statement addressed were technical standards, termination, franchise transfers, and franchise renewals. Arguing for more local authority in these areas, Thomas said, "counties must have some leverage over cable operators to guarantee good service to the subscribers." On the subject of franchise renewal, he added, "The citizens of a county deserve the best cable service possible and if the incumbent is not delivering such service it only seems appropriate that other bids from cable operators be solicited."

NACo also commented on the particular problems faced by rural counties and urged that the legislation include a provision which would allow a county to require that a franchise serve the entire county, not just the densely populated portions.

Thomas told the subcommittee that one answer to the problems of cable service could be competition. "NACo members believe in competition. Barriers to competition should be removed and capable providers, including telephone companies, should be allowed to provide video services." A detailed resolution on cable legislation adopted at the Legislative Conference supports telephone company entry into cable as long as they are subjected to the same local government franchising requirements and fees as cable operators, and that there are safeguards against cross subsidization.

For a copy of the statement or the new resolution contact NACo.

Horsley testifies at infrastructure hearings

By Robert Fogel
associate legislative director

John Horsley, former NACo president and chairman of the Kitsap County, Wash. Board of Commissioners, testified before the House Public Works and Transportation Committee on March 29 on the subject of infrastructure.

Horsley appeared on behalf of the Rebuild American Coalition, a group of public and private organizations that support a stronger infrastucture. Horsley was a founder of Rebuild America and is a former chair of the group.

This hearing kicked off a series of hearings to be held by the committee over the next several months. Appearing with Horsley were U.S. House Majority Leader Richard Gephardt (D-Mo.), House Minority Whip Newt Gingrich (R-Ga.) and Major General Patrick Kelly of the Army Corps of Engineers.

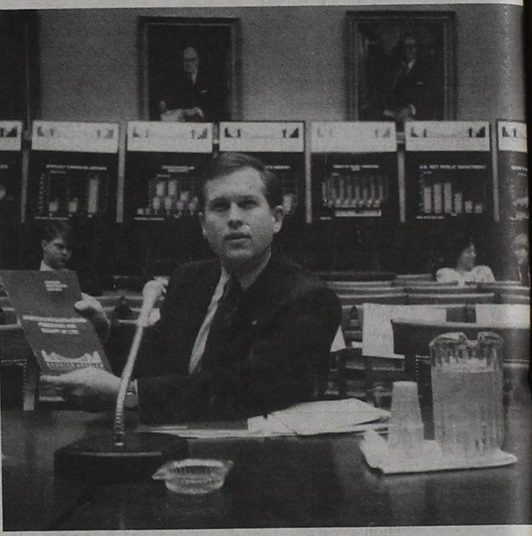
Horsley told committee members that with the easing of world tensions and the likelihood of military spending being cut, this would be a good time for the nation to re-examine its budget priorities and increase our investment in infrastructure. He also indicated how critical such investment was to America's ability to compete in the international economy.

"America's infrastructure is not only deteriorating due to aging facilities," stated Horsley, "but underinvestment in new facilities is overburdening current demand." As examples he cited Federal Highway Administration statistics which indicate that 41 percent of U.S. bridges are structurally deficient or functionally obsolete and Federal Aviation Administration figures predicting a 70 percent increase by 1998 in the number of passengers using the country's already overburdened airway system.

Horsley praised the Bush administration for recognizing the need for a national transportation strategy. But he indicated that he was concerned about shifting the financial responsibility of America's transportation infrastructure to state and local governments. Horsley added, "We need to get our national transportation policy together and in gear, and from our perspective, some of the gears are still clashing here in Washington."

He called for the expenditure of the highway, mass transit and airport trust funds which presently have a total balance of $28.8 billion. For FY91 he specifically asked that the federal highway program have an obligation level of $15 billion, a $2.7 billion increase over 1990.

He told the committee that the tax code has been changed six times in the past eight years. "Everytime the tax code has been reformed," said Horsley, "the ability of state and local governments to meet the infrastructure needs of our nation have been further curtailed." These changes add to the costs of financing and erode the markets for selling bonds. Horsley also outlined a legislative proposal adopted by NACo that would require Congress to set an annual national goal for infrastructure investment based on projected needs by all levels of government. A yearly report would then be issued on the status of the attainment of that goal. Such legislation would highlight infrastructure needs and, "the citizens of this country can accurately assess if adequate investments are being made to improve their quality of life through infrastructure spending."



John Horsley, former NACo president and commissioner, Kitsap County, Wash. testifies before the House Public Works and Transportation Committee.

NACo ON THE MOVE

(Ed. Note: NACo On The Move provides a quick look at the comings and goings of NACo staff, its officers and members as they pursue the county agenda on Capitol Hill and across the country.)

◆ The Editorial Board of Utah's *Ogden Standard-Examiner* met with President **Ann Klinger** and First Vice President **Mike Stewart,** April 12, while Klinger was in town for the Utah State Association meeting. Klinger and Stewart spoke about the impact national issues have on county government.

◆ Metro-Dade County, Fla. Commissioner **Barbara M. Carey** has been appointed to the U.S. Department of Housing and Urban Development's Advisory Commission on Regulatory Barriers to Affordable Housing. The 22-member panel was created to identify rules that unnecessarily increase the cost of housing construction and rehabilitation, and is made up of public policy experts, builders, low-income housing advocates, and elected and appointed officials.

◆ Earlier this month, legislative staff **Larry Jones** met with the NAACP's Legal Defense Fund to formulate a lobbying strategy for passage of the civil rights bill in the U.S. House and Senate.

◆ Denver, Colo. was the site of legislative staff **Bob Fogel's** meeting with five other local government groups to formulate a joint position on the Surface Transportation Act.

◆ Legislative staff **Barbara Paley** traveled to Chicago, Ill. for an April 1 meeting with staff from the National League of Cities and the Government Refuse Collection and Disposal Association on lobbying solid waste issues. NACo Environment, Energy and Land Use Steering Committee Chair **Randy Franke**, commissioner, Marion County, Ore., and Committee Vice Chair **Reed Madden**, commissioner, Greene County, Ohio, also attended.

◆ Reauthorization of the Food Stamp Act was the focus of meetings legislative staff **Michael Benjamin** had with staff of U.S. Senators Mitch McConnell (R-Ky.) and Rudy Boschwitz (R-Minn.); minority staff from the U.S. Senate Agriculture, Nutrition and Forestry Committee; and U.S. Representative Mike Espy's (D-Miss.) staff on the congressman's nutrition education amendment ... In the aging area, Benjamin is helping develop a joint proposal between NACo and the National Association of Area Agencies on Aging promoting the education of local elected officials about issues concerning older Americans ... Earlier this month, Benjamin was part of the review panel for the 1990 Community Achievement Awards, sponsored by the U.S. Department of Health and Human Services' Department on Aging, honoring community aging programs.

◆ Legislative Director **Ralph Tabor** and NACo Fellow **David Zimet** met with local government groups March 30 to discuss issues in the U.S. House and Senate-passed rural development bill.

Civil rights act clears Senate committee

By Larry Jones
associate legislative director

By slightly better than a 2 to 1 margin, the Senate Labor and Human Resources Committee approved S. 2104, the Civil Rights Act of 1990, by a vote of 11 to 5 on April 4. The action clears the way for a Senate floor vote which is expected within the next month or two. The House Education and Labor Committee is expected to take action on a similar proposal, H.R. 4000, following the Easter recess.

Forty senators and 170 representatives as of press time have signed on as co-sponsors of the legislation. Proponents believe the bills will pass by a comfortable margin in both chambers.

The proposed legislation would overturn or modify the effects of several recent Supreme Court rulings that have made it more difficult for women and minorities to prove discrimination in job-related cases. The court decisions opened the door to endless litigation for counties and other employers with judicially approved affirmative action

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County News

"THE WISDOM TO KNOW AND THE COURAGE TO DEFEND THE PUBLIC INTEREST"

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House passes child care bill; earmarks Title XX funds

By Michael L. Benjamin
associate legislative director

The House, on a 265-145 vote, passed a compromised child care bill (H.R. 3) that would expand the Head Start program, provide school-based daycare for preschoolers and older children, increase social service grants, and make child care more accessible to low-income families. Parents would be given vouchers, or certificates, by the states that could be used to pay for all or a portion of child care.

The vote on H.R. 3, the Democratic leadership-backed bill, came after nine hours of sometimes acrimonious debate during which members rejected several amendments.

The leadership package offers a compromise on how child care services would be funded. During the debates in November, efforts were made to reconcile the major differences between two competing versions of child care legislation. One, reported by the Education and Labor Committee. The other out of Ways and Means. The House Education and Labor Committee's version authorized a separate program of state grants for child care services, while the Ways and Means Committee version increased funding for the Social Services Block Grant Program (Title XX), and earmarked the increases for child care. This current bill increases the funding for the Title XX Social Services Block Grant program and earmarks these increases for child care. Under the bill, funds for Title XX would be increased by $450 million in FY91. (This increase would be the new Title III under the leadership package.)

NACo has consistently opposed the earmarking of Title XX as the vehicle for increasing child care services. Under the current Title XX Social Services Block Grant program, counties are provided with the flexibility to use these funds to deliver a number of critical services, ranging from adult protective services to nutrition programs. These programs add to the human service safety net at the county level. An earmark of Title XX erodes the flexibility that counties need now more than ever. In the budgetary out years, counties do not want to pit one needy group against another. NACo's position on this provision is that children should have a separately authorized child care services entitlement.

Other provisions of the House bill include:

- Title I — expands the availability of child care for working parents, or those in education or training programs, by expanding Head Start into a full-day, year-

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plans (See March 3 *County News*). The bill aims to restore and strengthen the civil rights laws to provide more effective deterrence and adequate compensation for victims of discrimination. It would also protect counties with judicially-approved affirmative action plans from perpetual legal challenges.

In *Martin* v. *Wilks*, the Supreme Court ruled that judicially-ordered plans can be later challenged by employees who were not a party to the earlier action.

This ruling essentially subjects counties with affirmative action plans to a "Catch 22" situation. If they enforce the plan they can be sued for reverse discrimination. If they do not, they can be sued for not carrying out the judicial order.

Under the proposed legislation, all employees would be notified and given the opportunity to challenge any aspect of the plan before it goes into effect. However, after an agreement is reached and a judicial order is given, the plan would not be open to legal challenges.

Justice Department officials have threatened to recommend a presidential veto of the e bills charging that the proposals go too far and would promote racial and gender quotas in the workplace.

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At a March 29 Senate hearing during which HOP was compared with the administration's Homeownership and Opportunity for People Everywhere (HOPE) initiative, Halpin's assessment of HOPE was echoed by mayors, state officials and other witnesses.

There was consensus among those testifying that HOPE is flawed because it would not increase the supply of low-income housing. The package does not contain a rental housing construction component, and relies instead on vouchers to house the poor. Halpin pointed out that vouchers are ineffective in tight housing markets like Suffolk County where vacancy rates are low. Halpin and other witnesses agreed that vouchers also do not lower housing costs.

Expanding homeownership for low-income persons is a major goal of HOPE. This would be achieved, in part, by expanding opportunities for tenants to purchase public housing and property in the federal inventory.

A number of witnesses advised that homeownership is not the sole answer to the housing crisis, nor is it achievable by all persons. When examining proposals to expand the sale of public housing to tenants, panelists urged senators to scrutinize the impact of these sales on the stock of low-income housing, impose safeguards to ensure one-for-one replacement of units, minimize displacement, and assess whether it is financially feasible for purchasing tenants to maintain the projects.

Witnesses pointed out that HOPE contains no additional funding, but instead takes resources from existing programs and repackages them to assist narrowly targeted groups. Halpin said a serious new housing initiative must include more funds for rental as well as homeownership properties and thereby expand the number of eligible households that are served.

Halpin also stressed that a comprehensive new housing program must build upon the capacity and expertise of local governments and the extensive partnerships which have developed for housing production among governmental units, non-profit and for-profit developers. It must provide local governments with the flexibility to develop strategies which respond to a range of housing priorities. Unlike HOP which is based on these principles, HOPE envisions no decision-making role for local and state governments, yet would require state and local governments to provide one-third of the funds for HOPE projects, Halpin said.

The consensus at the hearing was that the HOP program in S. 566 is preferable to HOPE. However, further consideration will be given to incorporating some aspects of HOPE into S. 566 which is scheduled for markup on May 2.

JTPA graduates work the Hill

By Jill Conley
staff writer

Six alumni of local job training programs in New Jersey, Massachusetts, Maryland, Missouri, Minnesota and Texas helped NACo kick off the recent establishment of "National JTPA Alumni Week" by attending NACo's Legislative Conference, March 17-20.

During their visit to Washington, D.C., the group attended workshops and meetings with county officials and met with congressional staff and members of the U.S. House of Representatives and Senate sharing their experiences as former participants in JTPA (Job Training Partnership Act) programs. They also had an opportunity to share their insights with U.S. Secretary of Labor Elizabeth Dole after she spoke to conference delegates at Monday's General Session.

First proposed by Clyde McQueen, president of the National Association of County Training and Employment Professional (NACTEP), "National JTPA Week," which will be held Aug. 27 through Sept. 3, was developed in response to a perceived lack of identity for local, state and national JTPA activities.

"While we know that JTPA data demonstrate how well we help our participants through job training and placement assistance, nothing can tell our story as well as our participants," said McQueen. "National statistics can never tell the real story of how our alumni, who entered our training without jobs, without income and without hope, were able to improve their skills, increase their self-confidence and become economically self-sufficient," he added. The alumni visit to Washington offered those responsible for making top-level job training decisions an opportunity to hear "the real story."

Among those telling their story was Nicole Cena, a graduate of the Hudson County, N.J. Employment and Training program. Nicole is the product of a broken home which she left at age 15. When she was 16, she dropped out of high school.

Nicole eventually went to live with her uncle where she heard about the Hudson County JTPA program and signed up for training. A program counselor recommended that she look into a certificate program in financial services at the American Institute of Finance. A prerequisite for the program was a GED, which Nicole obtained after receiving training from the county employment office.

She entered the institute in Feb. 1989. She says she hadn't had much exposure to the field of finance before entering the program, so she wasn't sure what the outcome would be. "My instructor really made the course interesting and I found that I really liked learning about finance," said Nicole.

Nicole completed the course ahead of her class with outstanding grades. In August, she was placed as a sales assistant with Oppenheimer, a Wall Street brokerage firm. Oppenheimer is currently sponsoring Nicole to take the Series 7 examination which will eventually lead to a broker's license.

When asked what she would tell her representatives on Capitol Hill about the JTPA program, Nicole answered, "It works. It really helps people get the skills they need to find a job." She added, "I always knew I had it in me. I just needed some help getting started."

Mark Burrows of Blue Earth County, Minn., another member of the alumni group, also got the help he needed to turn his life around from a local JTPA program.

Mark, a recovering alcoholic, was a single parent of two small children when he began receiving general assistance in 1986. He worked for his family's printing business in Mankato for nearly 18 years and always thought he would eventually take it over. But, in 1987 the business began to suffer financially.

Mark decided to go to school to study electronics. He says he registered for school "not knowing where the money was going to come from." He was in the process of lining up loans to cover tuition costs when somebody at the center where his children attended a Title 20 child care program suggested he look into the local JTPA program.

In November 1987, Mark entered a computer maintenance course at the Mankato Technical Institute funded under Title IIA of JTPA by the South Central Private Industry Council in Mankato. "It was like God was providing me a way to do it," he says.

He completed the two-year course in 18 months and was placed as an applications technician at Turck Multi-Prox, Inc. in Plymoth, Minn. in March 1989.

He remarried last May and recently purchased a new home.

JTPA alumna, Nicole Cena (r), poses with Hudson County, N.J. Executive Robert C. Janiszewski and U.S. Secretary of Labor Elizabeth Dole. Cena, a graduate of the Hudson County JTPA program, is now a trainee on Wall Street.

Each of the six JTPA alumni attending NACo's Legislative Conference had equally powerful success stories to share with federal and local officials.

According to Jerald McNeil, senior project director for NACo's Employment and Training program, the group's visit to Washington was a real success. "It was a unique opportunity for those at top decision-making levels to hear firsthand from participants how training opportunities can provide individuals with the skills necessary to compete in today's labor market."

CHILD CARE *from page 5*

round program, and by using schools to provide child care. The bill authorizes $611 million for this section of the act.

• Title II — expands early childhood development and before- and after-school programs. Early childhood education services may be provided at no cost to four-year-old children from families with incomes below the poverty level. Early childhood education services may also be provided to three-year-olds. The bill authorizes $429 million for this section of the act.

• Title IV — establishes child care quality improvement with $260 million set aside for this section. Funds would be available to assist states in establishing or expanding resources and referral networks; providing training for providers and care givers; improving monitoring and enforcement; and improving salaries and other compensation. A 21-member National Advisory Committee on Recommended Child Care Standards will be established to recommend child care standards on various aspects of child care services. Such standards would be used as model standards for the states. However, compliance with these standards would be optional.

• Title V — authorizes $25 million for businesses start-up costs to provide on-site child care services, or to expand the availability of existing child care services provided by businesses.

The leadership bill also provides additional funds to low-income families by expanding the Earned Income Tax Credit and adjusting the amount of the credit for family size. These funds could be used to meet child care expenses.

H.R.3 incorporates language from the Senate-passed child care bill (S. 5) dealing with religious child care. These provisions require states receiving Title XX child care funds to establish a voucher system for child care, which could be used for care provided by church-based child care programs. However, the measure does not override any state law or state constitutional provision prohibiting the spending of public funds by or in religious institutions.

Action on child care now moves to a conference committee that will have to address the difference between the Senate-passed bill S. 5 and the House bill.

A major difference will be the new entitlement program for child care services in the Senate bill and the earmarked Title XX on the other. NACo will be supporting the Senate bill going into the conference. For additional information, please contact Michael Benjamin, 202/393-6226.

NACo: A partnership for Cooperative Extension Systems

By Linda Marie Manton
Merced County, Calif.

Two years ago when current NACo President Ann Klinger asked me to become part of NACo's Agricultural and Rural Affairs Steering Committee, I was very excited but at the same time perplexed.

Cooperative Extension in California had not played a role in NACo. I was familiar with the National Association of Counties via discussion at management meetings with other county department heads, but did not understand the importance that NACo played in the legislative process.

Now with two years of getting my feet wet serving as the vice chair on the International Trade and Food Safety Subcommittee of the Agricultural and Rural Affairs Steering Committee, I see the important role that NACo serves. It has been exciting to be part of the steering committee work in developing the *"American County Platform"* and resolutions, to see that package be an active piece used with our legislation and then to feel the positive results of our actions back home.

As a county agent and county director, I strongly encourage other county officials to invite extension directors to join the NACo team. We have much research-based information to offer.

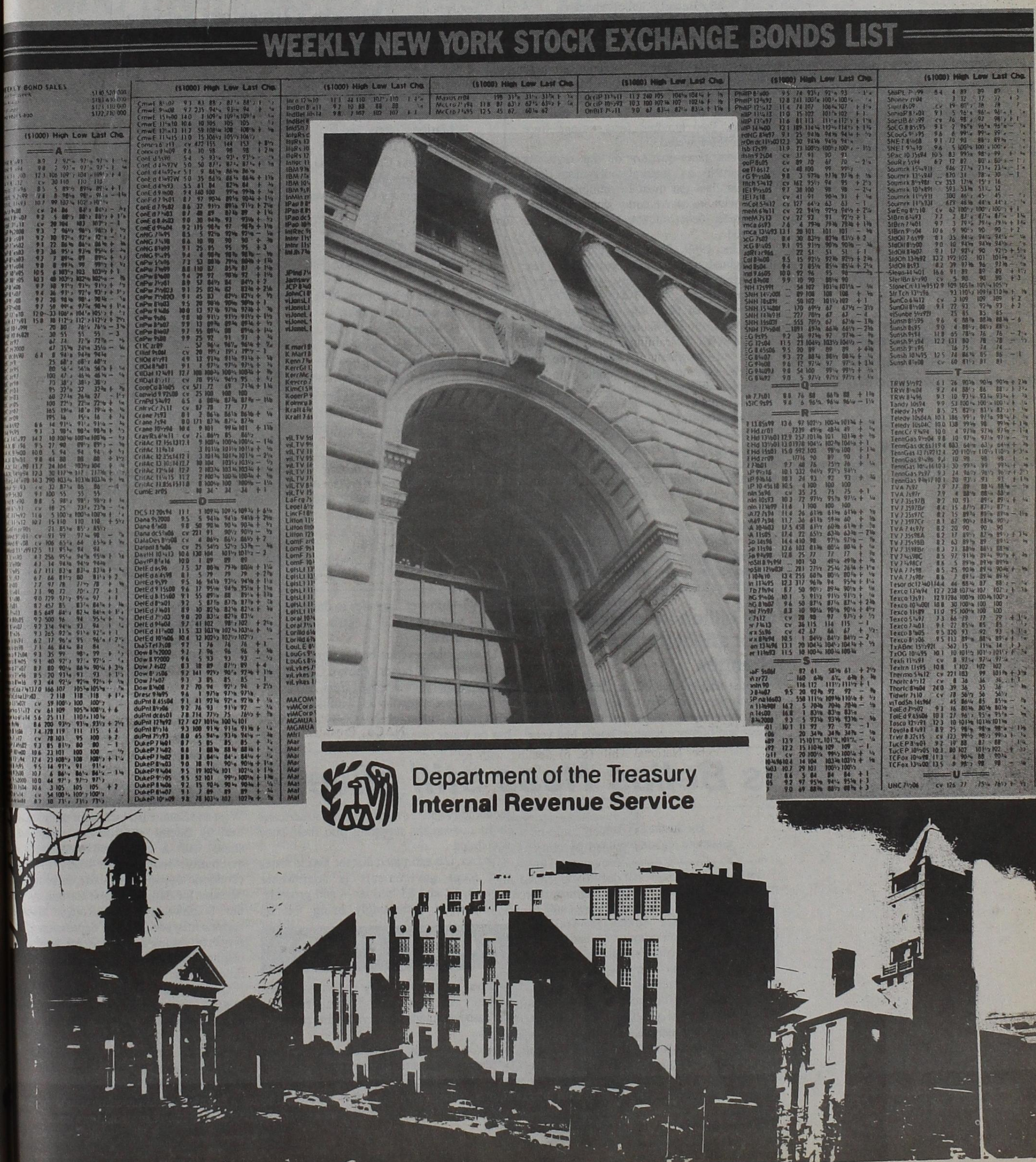
I also encourage extension agents to accept any such invitation. The issues facing county governments, today, such as community and economic development, the environment, energy and land use are all priorities in the current USDA-Extension System National Initiatives. As someone who has walked in both worlds, I can assure my colleagues on each side that we have much to offer one another.

(Ed Note: Linda Marie Manton is the Merced County, Calif. cooperative extension director.)

How are your media relations?

Find out in the next issue of County News.

Special Report: Tax and Finance



County bonds fare well in 1989

By Beverly Schlotterbeck
editor

There was good news for county bond ratings in 1989 from Moody's Public Finance Department. Moody's Investors Service revised 426 ratings in 1989 with upgrades exceeding downgrades by more than 50 percent. Two hundred forty ratings were raised; 186 lowered.

Almost three-quarters of the revisions were made on general obligation debt. Counties had the most favorable up/down ratio with twice as many county general obligation debt ratings being raised as lowered.

In its 1989 Bond Survey, Moody's highlighted three county revisions as key upgrades. Franklin County, Ohio's rating was raised in May from Aa to Aa1, affecting $64 million of debt. The July upgrade of Broward County, Fla.'s general obligation debt affected $328 million. Moody's cited improved long-range planning, sound financial operations, tax base growth and wide available taxing margins as reasons to revise Broward's rating from A1 to Aa. Another noteworthy upgrade affected almost $260 million on Wayne County, Mich.'s debt which was revised in March from Ba to Ba1.

Moody's moved eight ratings to its top-tiered Aaa status in 1989 bringing the total to 134. Two counties — Chesterfield, Va. and Waukesha, Wis. — were among the new Aaa upgrades.

On the downside, Cook County, Ill., saddled with escalating costs for health care and corrections, saw its general obligation rating drop from Aa to A1.

Moody's sees signs of an economic slowdown in the Northeast. In parts of the Far West and Southeast, local economies may be hurt by federal defense cuts.

Moody's Investors Service County Aaa Ratings

County	Rating
Polk County, Iowa	Aaa
DuPage County, Ill.	Aaa
Marion County, Ind.	Aaa
Norfolk County, Mass.	Aaa
Worcester County, Mass.	Aaa
Baltimore County, Md.	Aaa
Montgomery County, Md.	Aaa
Hennepin County, Minn.	Aaa
Ramsey County, Minn.	Aaa
Durham County, N.C.	Aaa
Mecklenburg County, N.C.	Aaa
Wake County, N.C.	Aaa
Merrimack County, N.H.	Aaa
Bergen County, N.J.	Aaa
Middlesex County, N.J.	Aaa
Morris County, N.J.	Aaa
Somerset County, N.J.	Aaa
Union County, N.J.	Aaa
Westchester County, N.Y.	Aaa
Hamilton County, Ohio	Aaa
Montgomery County, Pa.	Aaa
Dallas County, Texas	Aaa
Salt Lake County, Utah	Aaa
Arlington County, Va.	Aaa
Chesterfield County, Va.	Aaa
Fairfax County, Va.	Aaa
Henrico County, Va.	Aaa
Dane County, Wis.	Aaa
Waukesha County, Wis.	Aaa

$10 billion in revenue debt affected by rating changes

About one-quarter of all 1989 upgrades and a similar percentage of downgrades were on revenue bonds. Water and sewer, public power and higher education bonds had very favorable ratios of upgrades to downgrades, while housing and health care had unfavorable ratings.

Leading the revenue bond upgrades were water and sewer bonds. Fairfax County,Va. Water Authority was raised from Aa to Aa1 in September, affecting $312 million in debt. This rating is the highest Moody's currently has on water revenue debt.

A significant downgrade in the revenu bond area involved Harris County, Texas an affected $458 million of debt. Its Toll Roa senior lien revenue bonds dropped, in July from Con. (Baa1) to Con. (Baa).

Outlook

Whether upgrades will excee downgrades in 1990 and beyond will, in larg part, depend on the state of the national economy.

Moody's sees signs of an economi slowdown in the Northeast. In parts of the Fa West and Southeast, local economies may b hurt by federal defense cuts. Midwester states with a heavy dependence on th automotive industry are likely to see a economic slowing related to a decrease in th demand for domestic cars. Certain states i the Southwestern and Rocky Mountai regions may see a further depression of thei property values as the federal governme begins to sell off mortgaged properties fro failed thrifts.

On the positive side, Moody says th outlook for areas heavily dependent o agriculture is more favorable that it has bee for a number of years. Mineral-based state are not as vulnerable as they once wer Northwestern states' economies ar responding favorably to the area' strengthening ties with economic centers i Asia. And many midwestern localities hav taken steps to diversify their economie which should help them withstand the impac of any future weakness in manufacturing.

Is Bellas Hess still alive?

By Susan J. White
associate legislative director

COMMENTARY

The dollars lost to counties are mounting up as federal legislation authorizing states and local governments to collect interstate taxes is stalled. Congressional intervention is needed to overturn a 1969 Supreme Court decision which effectively barred states from collecting these revenues.

The court in *National Bellas Hess v. Illinois Department of Revenue* stated that if an out-of-state business did not have an ongoing relationship with the taxing jurisdiction — other than mailing in catalogues — forcing that retailer to collect taxes would place a burden on interstate commerce.

However, times have changed and sales by out of state retailers have skyrocketed with the help of cable television, computer technology and the need for busy Americans to fit convenient shopping into their busy schedules.

In fact, it is estimated that the loss to states and local governments is somewhere between $2 and $3 billion — and growing. This loss is increasingly being felt by strapped counties as they continue to face declines in state and federal funding, increased demands for services, and taxpayer revolts.

NACo has long supported policy calling for federal legislation to overturn the earlier court ruling, thereby providing states and local governments with the enforcement mechanism to collect these fees which are owed.

See BELLAS HESS, page 10

Boyle testifies on savings and the need to invest in public capital

By Susan J. White
associate legislative director

Cuyahoga County, Ohio Commissioner Mary O. Boyle testified before the U.S. Senate Finance Committee calling, on behalf of NACo, for legislation which would tie individual savings initiatives to investment in public infrastructure.

The Finance Committee hearings focused on the Administration's long-range proposals to stimulate private savings and investment through several tax incentive measures, including a capital gains tax cut, a Family Savings Account (FSA) targeted at middle income taxpayers, and an Individual Retirement Account (IRA) first-time home buyers withdrawal program.

FSA would offer investors tax-free interest on savings remaining in an account

Cuyahoga County, Ohio Commissioner Mary O. Boyle

for seven years. Savings accounts are now earning an interest rate of eight percent. Tax-exempt bonds, on the other hand, are currently offering seven percent interest.

Two problems readily emerge for local governments. NACo and other state and local public interest groups are concerned that FSA would be more attractive to the same individuals who invest in tax-exempt bonds. In addition, counties would be forced to offer more interest on their bonds just to compete. This higher cost of borrowoing means local taxpayers will, again, bear the cost shift.

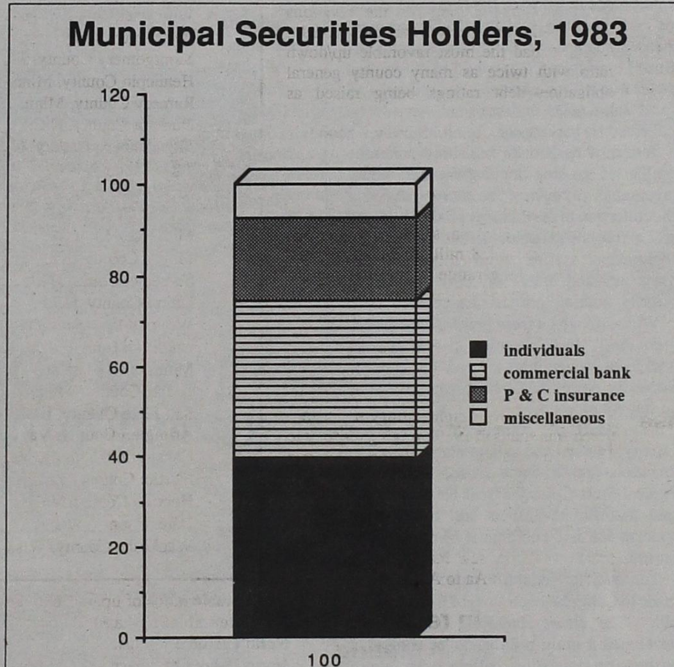
In fact, since current tax laws have eliminated tax breaks for corporate investors, in municipal bonds banks and insurance companies have dropped out of the tax-exempt bond market. Increasingly, counties, states and other local governments are selling their bonds to individuals. Additionally, the growth in mutual fund investments in tax-exempt bonds has soared in the last decade — from $4 billion to $94 billion — because individuals can purchase debt in small denominations.

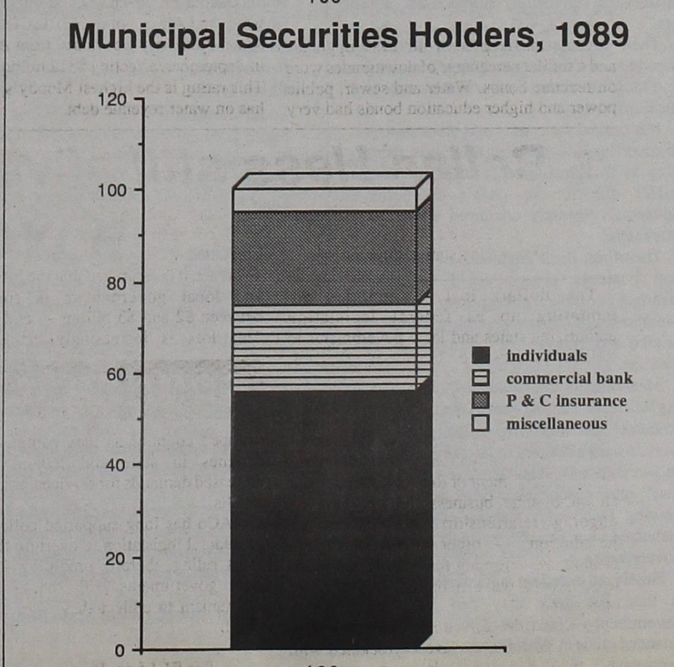
U.S. Treasury and IRS data show that these are many of the same people targeted by the administration's saving plan.

The FSA would be offered to individuals with adjusted gross incomes of $60,000 or less and joint filers of $120,000 or less. Treasury and IRS also shows that these people are investing more heavily in state and local debt.

Responding to these concerns, NACo passed an interim resolution at the recent Legislative Conference in support of the administration's goal of stimulating savings, yet proposing that such savings should be invested in public capital. In representing

See BOYLE, page 11





NACo and other stat and local public interes groups are concerned tha FSA would be mor attractive to the sam individuals who invest i tax-exempt bonds.

BELLAS HESS

from page 8

Back reports in *County News* have chronicled the ongoing legislative efforts and negotiations which took months.

NACo and the other local public interest groups have stood firm in their conviction that any such legislation should include a provision which ensures that local taxes would be collected as well as state revenues. U. S. Representative Jack Brooks (D-Texas), however, introduced a bill last year that did not represent an agreement by NACo, the U.S Conference of Mayors, the National League of Cities, the National Governors' Association and the National Conference of State Legislatures, that would have required states to establish one fee — an average of all local sales taxes and the state tax—to be collected by the retailer.

Instead, Rep. Brooks' bill allows states the option of passing legislation that would create such an "in-lieu" fee, thereby ensuring the collection of the majority of local taxes. It was at this critical point last summer that the legislation stalled, and although the governors and others say that it is still a priority, nothing more has happened.

Where do we go from here? A few issues seem clear. First, counties, as well as state and local governments, need the money. Secondly, many NACo members see this as an important issue.

John McBride, commissioner, Spokane County, Wash. and chairman of NACo's Taxation and Finance Subcommittee on Federal-State-County Fiscal Relations, has said that Bellas-Hess is still an ongoing concern and will continue to be on the front burner.

The direct marketing industry has developed a multi-million dollar campaign against the legislation, calling it an "abuse tax."

The case for federal legislation must be made to Congress regardless of Rep. Brooks' bill. The direct marketing industry has developed a multi-million dollar campaign against the legislation, calling it an "abuse tax."

Their arguments have been heard by members of Congress and have been louder and longer than those advanced by state and local officials.

It is critical for county and other state and local officials to address this issue, beginning at the local level. Local merchants suffer due to the unfair competitive advantage currently conferred upon direct marketers.

Therefore, local chambers of commerce and business groups could add much strength to the government position. Members of Congress should be contacted, briefed and informed of the impact in their districts.

Meantime, NACo will be working to have legislation introduced that reflects counties' interests. Specifically, we will work toward a bill that requires states, if they collect their own sales taxes, to pass an "in-lieu" rate which takes into account the varying local rates statewide to then be disbursed on a pro-rata basis to those local governments.

Finally, an excellent argument to Congress is that, for once they can help local government — for free! Given the current financial crisis in Washington, that should be persuasive.

State and Uniform Local Sales Tax Losses 1986-1987

State	State Tax Rate (1988)	Estimated Losses ($ in millions)
Alabama	4.00 %	$ 29.6
Arizona	5.00	36.2
Arkansas	4.00	16.1
California *	6.00	373.0
Colorado	3.00	22.8
Connecticut	7.50	60.9
Florida	6.00	137.0
Georgia	3.00	40.2
Hawaii	4.00	10.2
Idaho	5.00	9.4
Illinois	5.00	121.7
Indiana	5.00	54.3
Iowa	4.00	22.1
Kansas	4.00	21.8
Kentucky	5.00	33.8
Louisiana	4.00	30.7
Maine	5.00	10.2
Maryland	5.00	56.4
Massachusetts	5.00	65.4
Michigan	4.00	70.7
Minnesota	6.00	47.6
Mississippi	6.00	23.4
Missouri	4.23	45.9
Nebraska	4.00	13.2
Nevada	5.75	12.8
New Jersey	6.00	107.1
New Mexico	4.75	12.1
New York	4.00	178.3
North Carolina *	5.00	47.3
North Dakota **	5.50	8.3
Ohio	5.00	101.1
Oklahoma	4.00	26.6
Pennsylvania	6.00	127.8
Rhode Island	6.00	11.0
South Carolina	5.00	29.6
South Dakota	4.00	6.1
Tennessee	5.50	49.1
Texas	6.00	263.3
Utah *	6.00	17.8
Vermont	4.00	4.2
Virginia *	4.50	63.1
Washington *	7.00	68.6
West Virginia	6.00	19.4
Wisconsin	5.00	44.8
Wyoming	3.00	2.8
Total		$2,553.7

* Includes uniform local sales tax rate.
** North Dakota has five units of local government with a sales tax enacted.

(Based on Advisory Commission for Intergovernmental Relations estimates unadjusted for nexus and de minimis (9/4/87). These estimates have been adjusted for rate changes in Florida, North Dakota, South Dakota, Texas, Utah, Virginia, and West Virginia.)

National Association of State Budget Officers (12/8/88)

Temperature rises on tax-exempt bond issue

By Bradley L. Jacobs
assessor, Orange County, Calif.

Tax-exempt bonds have been a heated subject at NACo, in Congress, and at the U.S. Department of the Treasury. And, while some of the positions are emotional, good reasons of finance, fact, and policy encourage continued existence of so-called tax-exempt bonds. I say "so-called" because it is not the bonds which are tax-exempt but it is the interest earnings paid to holders of the bonds which are tax-exempt.

First, what about policy? I think the policy of NACo should be as follows:

A) NACo supports the right of counties to issue debt instruments whose purchasers shall be wholly exempt from all federal taxes on all interest paid to them as holders of that debt. And, that debt shall be issued only to provide money to design and build physical assets whose services will underly indivisible public goods and/or public services which will satisfy a public purpose objective.

B) Furthermore, if the public purpose objective is served, then the proportional share, the nature, and the economic sector of usual operation of suppliers of (or to) those physical assets shall not be material to the tax-exempt status of any interest paid to the holders of any bonds as described above:

The emphasis in B), above, is critical: The proceeds of bonds whose interest is tax-exempt to the receiver only must be used to design and to construct physical assets whose (a) function and (b) enabled services will meet a defined public purpose objective. Physical assets exist only to provide services. But, it is not the services which are being funded by the proceeds of these bonds. It is the physical assets. Is that nitpicking? Or is it truly important?

I think the distinction truly is important. Why? We can learn from the General Revenue Sharing situation and county actions which stimulated the demise of General Revenue Sharing.

VIEWPOINT

General Revenue Sharing money was sent to counties in periodic packages. Those periodic packages of money were intended originally (and understood) to be targeted on adding to the stock of physical assets owned by counties. Examples include jails, water or sewer facilities and courthouses. The physical asset requirement didn't make the trip to final written requirements but the intent was known widely.

What actually occurred? Increasing percentages of the money were diverted to meet the cash flow needs of expenses for activities of government.

Physical asset accumulation all but disappeared toward the end of General Revenue Sharing. Thus, we have yet another example of eating the seed corn, instead of planting it.

What are the lessons? 1) Use money packages which may "not come again" for a purpose which also may "not come again" at least for some time. And, 2) use money for its intended and appropriate purpose.

Specifically, bonds are repaid over a long time. Therefore, use bond money to buy something which will continue to provide function for at least as long a time as required to repay the bond money. Perhaps even reinvest some of the bond proceeds (cash management) to generate income to pay at least part of equilibrium life cycle maintenance costs. But, we are getting ahead of the story.

Differentiating capital formation in the

See TEMPERATURE, next page

We can learn from the General Revenue Sharing situation and county actions which stimulated the demise of General Revenue Sharing.

NACo to conduct county revenue study

By Richard Kirk
intern

NACo has undertaken a nine-month study of county revenues that will investigate the different mechanisms counties use or could use to raise revenues.

The study will create a data base for tracking these revenues, and a final report. Both the data base and the final report will provide NACo steering committees and members with information regarding what counties are doing in terms of alternative revenues.

Taxation and Finance Steering Committee Chairman Jim Rout, commissioner, Shelby County, Tenn., called the project "extremely important, in light of the increasing demand on counties to provide services, the decline of intergovernmental revenues, and the need to find alternative revenue sources."

As part of the study, NACo is gathering information about how counties' sources of revenue have changed over time, the legal authority of counties to raise revenues in each state, and assessment practices in regard to the property tax.

NACo encourages counties to submit their recommendations and suggestions for the study. In this regard, if any of you know of a revenue study in your county, or of a revenue study done elsewhere, you should contact Jim Golden, Susan White or Richard Kirk at NACo, 202/393-6226.

(Ed. Note: Richard Kirk is an intern in NACo's Research Department. He is working toward a masters degree in public administration at George Washington University.)

Direct marketers "abuse" the truth

Opponents of legislation base their arguments on three myths:

MYTH: The sales/use tax is a "new" tax.

FACT: The tax is already in place; legislation will merely close a tax collection loophole.

MYTH: Calculating the sales tax is complicated.

FACT: Inexpensive computer programs are already available that calculate state and local sales taxes; customers would simply call the mail order companies' toll-free number for assistance on figuring the tax owed.

MYTH: Closing the sales tax loophole will hurt the economy.

FACT: The proposed legislation will only cover large interstate businesses. Small businesses will be exempt. The giants of the mail order industry, Sears and J.C. Penney, have been collecting sales taxes foryears.

BOYLE from page 9

NACo's position to the committee, Commissioner Boyle urged Congress and the administration to establish a deductible IRA tied to investment in tax-exempt bonds for public capital projects.

She further urged Washington to eliminate the disincentives to invest in bonds authorized under the 1986 Tax Reform Act. Specifically, she called for restoration of the provision that allows banks to deduct the costs of purchasing and carrying tax-exempt debt; and for elimination of the tax on interest that corporations earn on bonds (the inclusion of these earnings in the calculation of a corporation's alternative minimum tax).

"These tax laws are the very reason that the corporate sector is dropping out of the market — and why — if individuals are offered a better deal from the federal government, we can't depend on the corporations to bail us out," Boyle stated.

"It is our hope" Boyle told the committee, "that we can turn the challenges that lie ahead into opportunities, not only for middle-class Americans to be able to invest and save, but for all of us to reap the benefits from a public infrastructure that is safe and helps to ensure the economic well-being of America."

"It is well known that America's infrastructure is in dire need of repair and counties are struggling to finance increasing needs. If we are to keep America competitive then we must invest in this country's infrastructure. Tax-exempt bonds are our major tool to accomplish this."

Boyle summarized NACo's position by calling for joint efforts by all levels of government to ensure that savings and investment and the rebuilding of America are top priorities.

TEMPERATURE from previous page

public sector from capital formation in the private sector is important for two reasons.

First, the mission of public capital is different from the mission of private capital. Public capital provides indivisible goods that cannot be provided by the private sector with the same level of effectiveness.

Second, the amplification of money spent in the private sector is greater than the amplification of money spent in the public sector. For that reason the efficiency of allocation as well as the effectiveness of utilization demands that public capital and public capital goods be limited to serving indivisible needs only.

Expectations condition behavior. And behavior and expectations are a chicken and egg situation.

What is an indivisible need? The sheriff's department, the county-wide fire department, the welfare agency, the assessor department, the treasurer-tax collector, the auditor-controller, and the board of supervisors provide services meeting the indivisibility test. Why? Because an individual citizen cannot decide not to purchase sheriff services if he or she lives in an unincorporated area of the county. The citizen cannot do this anymore than he or she can choose not to purchase the services of the Unites States Air Force. Those services also are indivisible.

Indivisibility is the most fundamental criterion for deciding whether goods or services should be provided in the public or in the private sector. Then, evaluating relative effectiveness in using resources may further limit the choice. Examining life cycle costs and total consumption of resources helps to assure that really is attended to.

Back to so-called tax-exempt bonds. These bonds must pay for investments made for the future, not for the past. Therefore, tying limitations on bonds to the population of the state uniquely ties them to past rather than to future needs. Preparing for the future already is extremely difficult for government. And, the viewpoints and ways of thinking about the future which are demonstrated by some people in government make the task well-nigh impossible.

Governmental entities should be able to issue bonds when the people agree to issue them. And, the people should be notified and fully informed about the costs of servicing this debt. Why is being informed so important? Future costs of paying off both principal and interest on new debt could in the future virtually assure increasing tax burdens. Increasing taxes would be called for even if other expenditures remain constant.

All debt must be serviced. Your or my home mortgage, credit card, store charge account, gasoline, whatever it might be, is debt that must be repaid. And, debt must be repaid with added interest and perhaps other charges attached. (Note the Third World Debt Swamp where borrowings pay past due interest on prior borrowings. There, the mire is strangling everyone.)

Therefore, we must be very careful in deciding what to fund with government bonds. And those bonds which provide an incentive for purchase through the tax-exempt status of the interest earnings paid to purchasers must receive special care in targeting their uses.

Only voters should make the value judgements about what should be funded at all. Thus, only voters should decide what should be funded with bonds. And, hopefully, more and more people will become interested in what is funded with government bonds because they will be paying the costs to service and redeem those bonds in the future.

But, information is the most important factor. Informed citizens 1) making decisions which to them make sense, 2) looking to the future, and 3) thinking through their guesses about the future, will help shape the future. And, those thoughts and guesses will help to make our future a good one.

Expectations condition behavior. And behavior and expectations are a chicken and egg situation. If we expect things to be bad then our behavior will help to make them bad. If things are bad then we will continue to expect them to be bad.

Conversely, if things are good then we expect them to remain good. And, our behavior based on that expectation will, in turn, assist circumstances to remain good. Self-fulfilling prophecies are well-known in the world of economics. So, also, with tax-exempt bonds. So, too, with taxes. And, even with the U.S. economy. Let us in NACo assist the citizenry to be informed. Let us encourage the citizenry to vote. And, let us also encourage people to be deeply and continuously concerned with the decisions we make.

We are the stewards, the agents, the surrogates for the people. They hired us to operate their government for their benefit while consuming the fewest resources possible. NACo helps our efforts to become more effective in operating the peoples' business: their government.

Tax-exempt bonds, properly applied, are one tool we have to manage resource uses. Bonds provide a "degree of freedom" which local government finance otherwise doesn't have: time. Let us look ahead and use human energy, time, and money effectively in our stewardship of the peoples' business: their government.

(Ed Note: Bradley L. Jacobs is vice chair of NACo's Taxation and Finance Steering Committee.)

NACTFO promotes continued education

The National Association of County Treasurers and Finance Officers (NACTFO), NACo's financial affiliate, continues its strong commitment to continuing education for its members. As one of NACo's largest and most active affiliates, NACTFO offers a comprehensive, professional development package consisting of 75 hours of continuing education on three levels that is offered in conjunction with NACo's Annual and Legislative Conferences.

At the advanced level, after completing 57 hours, NACTFO members are eligible to attend a three-day, in-residence leadership program at the University of Tennessee. Completion of the full 75–hour program, which takes approximately three years, earns certification as a certified financial officer or CFO. There are currently 33 CFO's across the country.

For more information on NACTFO or its certification program, contact: Joanne Motschenbacher, Douglas County, Ore. treasurer, Courthouse Rm. 302, Roseburg, OR 97470; 503/440-4244.

GFOA sponsors conference

The University of Wisconsin at Madison will host the fifth Advanced Government Finance Institute, Aug. 5-10. Offered by the Government Finance Officers Association (GFOA) and designed for senior financial managers and other policy-level officials of state and local governments, the Institute provides an opportunity to focus on the broader, longer-term issues of government finance. The graduate-level program examines emerging issues in economics, demographics, and technology; development in public finance; the future of intergovernmental relations and public policy; and management strategy and tactics.

Faculty for the 1990 Institute will be drawn from various schools of the University of Wisconsin, other universities, government officials and private sector consultants. Lectures, small group sessions, team exercises and informal exchanges set the tone for this unique learning opportunity.

Participants in the Advanced Government Finance Institute need not be members of the GFOA; those government officials at or near the top of their organizational structure who want this kind of concentrated, future-oriented study in government finance are invited to apply. The approximately 50 Institute participants will be selected on the basis of their experience, government position held, education and order of application.

The $1,100 Institute fee covers tuition, lodging and most meals at the Institute facilities, course materials, and sponsored activities from Sunday afternoon, Aug. 5 through Friday afternoon, Aug. 10. Applicants do not incur any financial obligation until they enroll in the Institute.

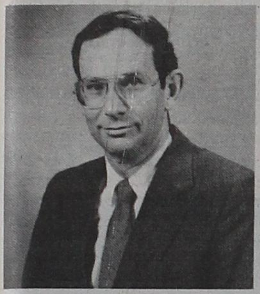
Application forms are available from the GFOA's Government Finance Research Center, 1750 K St., NW, Suite 200, Washington, D.C. 20006, 202/429-2750, FAX: 202/429-2755. Application deadline is May 21.

Last chance for reduced WIR rates

This is your last chance to register at reduced rates for the 1990 Western Interstate Region Conference (WIR), May 9 – 12 in Anchorage, Alaska. Early bird registrations must be postmarked no later than April 18 to take advantage of the discounted rates.

And while you're making your travel plans, don't forget the travel discounts you can receive by using Travel Services Group (TSG), NACo's officially designated travel coordinator for the WIR Conference.

You can receive a five percent discount off the lowest Supersaver fare, or up to a 45 percent discount off normal coach by making your reservations through TSG. The discount is available whether you or your travel agent makes the arrangements. Simply identify yourself as a NACo conference participant when you call TSG at its toll-free number, 1/800/ 336–0227.



F. Dale Robertson

Forest Service chief to keynote WIR

F. Dale Robertson, chief of the U.S. Forest Service, will be the keynote speaker at the Western Interstate Region Annual Conference, May 9-12 in Anchorage, Alaska.

Robertson, who is a native of Arkansas, was associate chief from 1982 to 1987 when he was named to the top position in the Forest Service. As chief, he oversees an agency whose policies and programs have a direct and indirect effect on more than 700 counties in 42 states.

Chief Robertson will describe the forces that are currently affecting the Forest Service, the likely changes in future programs, and what those changes could mean to counties that depend on natural resources for economic survival.

Spouse Tours
(Available to registered spouse)

Thursday, May 10

Tour of the City of Anchorage, including the library, the Fine Arts Museum, and other historic and scenic sites.

Buses will leave the Captain Cook Hotel at 9:30 a.m. and return at 1:30 p.m. Light refreshments will be served.

Friday, May 11

Tour to Portage Glacier, 50 miles south of Anchorage. It will include a stop at the Visitors Center to view a film on glaciers. After a visit to the glacier, buses will stop at the Alaska Ski Resort for shopping and lunch on your own. Beverages will be provided.

Buses will leave the Captain Cook Hotel at 9:30 a.m. and return at 5:30 p.m.

NACo Prince William Sound Cruise

A trip to Alaska is a once in a lifetime experience for many, and usually a side trip for the world famous. Prince William Sound with its glaciers, wildlife, and its more recent tragedy is an opportunity that should not be missed while attending NACo's May 9-12, 1990 meeting in Anchorage, Alaska.

By special arrangements, NACo conference attendees and their companions can experience the beauty of the Sound, and see how this pristine area is coping with the tragedy of the Exxon Valdez oil spill one year later.

Schedule: Saturday, May 12, 1990.

You will be picked up at your hotel at 11 a.m. and travel by motorcoach for the one-hour ride down Turnagain Arm on the Cook Inlet to Portage where the gold miners of yesteryear struggled with their burden to cross the mountain pass in making their way to the gold fields of intra-Alaska at the turn of the century. From Portage you will board the Alaska Railroad train for an exciting 30-minute ride down through an unspoiled valley and the mountains to the port city of Whittier. Upon arrival, you will transfer to the M/V Klondike, a 65-foot catamaran, for a 5 1/2 hour cruise to College Fjord and the Prince William Sound area. During this cruise you will see some of Alaska's most beautiful glaciers and, with luck, many species of wildlife and sealife that this area is noted for.

Upon returning to Whittier in the early evening, you will again board the train and bus for your return trip to your Anchorage hotel, arriving by 9 P.M.

Price: The price for this exciting day's adventure is $130 per person and includes: all transfers, train, cruise with meal served on board ship, and local guides (based on a minimum of 100 passengers, 150 maximum).

Reservations: To make your reservations, please call Vista Travel toll free at 1/800/448-7181. Payment by check (sorry, no credit cards) must be received by Vista no later than April 27, 1990. With a maximum ship capacity of 150, please make your reservations early.

Note: NACo and Vista Travel reserve the right to cancel this trip if the minimum number is not met by the above date. Full refunds will be remitted within seven days of cancellation.

Mail check to:
Vista Travel, Inc. 911 Cushman St.
Fairbanks, AK 99701
Attention: Don Weldon

NACo WESTERN INTERSTATE REGION CONFERENCE

MAY 9 - 12, 1990
CAPTAIN COOK HOTEL
Municipality of Anchorage, Alaska

CONFERENCE REGISTRATION - POSTMARK DEADLINE - APRIL 18, 1990

Return completed form with payment by April 18 to NACo, 440 First Street, NW, 8th Floor, Washington, D.C. 20001

NAME ____________________
NICKNAME ____________________
TITLE ____________________
COUNTY ____________________
ADDRESS ____________________
CITY __________ STATE __________ ZIP CODE __________
TELEPHONE ____________________
Are you attending the WIR Conference for the first time? YES_____ NO_____

To register your spouse or youth, please complete the following:
Spouse Name ____________________
Youth Name ____________________

REGISTRATION FEES FOR THE WIR CONFERENCE	POSTMARKED BEFORE APRIL 18	POSTMARKED AFTER APRIL 18 & ON-SITE
MEMBER	$195	$225
NON-MEMBER	225	275
OTHER GOVT. ATTENDEE	225	275
PRIVATE SECTOR	250	300
SPOUSE	50	50
YOUTH	30	30

Conference registration fee MUST accompany this registration form before registration or housing can be processed.

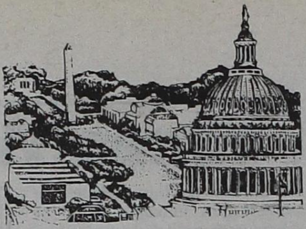
CANCELLATION POLICY
Refund of conference registration fee, less an administrative fee of $50, will be made if written notice of conference registration cancellation is postmarked no later than April 11, 1990.

HOTEL RESERVATION

ROOM OCCUPANT ____________________ COUNTY __________
CO-OCCUPANT ____________________ COUNTY __________
ADDRESS ____________________ CITY __________
STATE/ZIP CODE ____________________
SPECIAL HOUSING REQUESTS ____________________
HOUSING DISABILITY NEEDS ____________________
ACCOMMODATIONS: ___ SINGLE..... $74 ___ DOUBLE.....$84 SUITES AVAILABLE UPON REQUEST.
ARRIVAL DATE ____________________ DEPARTURE DATE ____________________

Hotel check-in time is 1 p.m. All reservation requests must be accompanied by check or credit card number for one night's deposit. Please add 8% state tax to total. This deposit will guarantee your reservation for late arrival. NACo is authorized to use my credit card for this guarantee. I understand that I will be billed for one night's room charge unless I have cancelled my reservation with the hotel by 6:00 p.m. All reservations received after April 18 will be confirmed subject to availability.

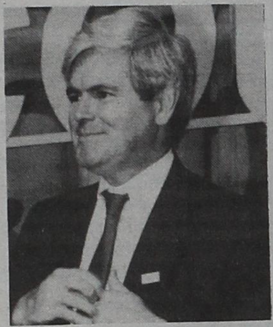
AMOUNT ENCLOSED $ __________ CREDIT CARD COMPANY __________ CARD # __________
SIGNATURE ____________________



1990 Legislative Conference

Gingrich bashes "bureaucratic welfare state"

By Beverly Schlotterbeck
editor



Newt Gingrich

Newt Gingrich can bash the "bureaucratic welfare state" as well as Buster Douglas can whip a world champion. He can also preach the "Bush Revolution" like a man just knocked off his horse on the road to Damascus. He did both before delegates at Tuesday's luncheon, in the end challenging them to make the '90s, the Decade of Innovation.

In his speech, Representative Gingrich (R-Ga.), House minority whip and Republican Party activist, urged NACo to come to Congress and identify "unnecessary and dumb bureaucratic red tape" as well as areas where "we can return more authority to you." He plugged an expansion of President Bush's "1,000 points of light," and taking another swipe at the bureaucratic welfare state, told the audience about a Georgia rule that prevented a retired veterinarian from volunteering in the school system because he was not a "certified instructor."

That story, he was quick to point out, typified "the mindless self-destruction that cripples the country."

Gingrich told his audience that he wants Americans to reclaim their values, lost in part, because they have "adopted the idea that you can promote Johnny, even though he can't read, and you can let people out of jail and they won't hurt anyone."

He promoted his May 19 "American Opportunities Workshop" — a nationwide satellite-linked symposium on the best innovation that state and local governments have to offer, and concluded by telling delegates that their task is to convince " every American that this is their country."

Lujan seeks delicate balance

By Beverly Schlotterbeck
editor

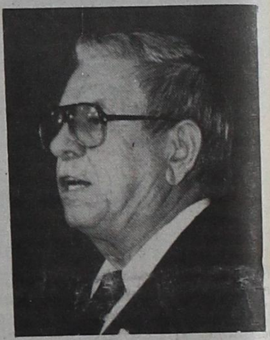
U.S. Secretary of the Interior Manuel Lujan, principal caretaker for more than one-third of the nation's lands, appears to believe that even though a man be stuck between a saguaro cactus and a chain saw, he still has room to maneuver. During his address to conference delegates at Tuesday's luncheon, Lujan said the nation can both preserve its public lands and develop their resources at the same time.

"As secretary of the interior, I have two conflicting duties – to develop resources on public lands and preserve their environment. I am determined that both activities can coexist."

Acknowledging the "great and contentious debate over balances between preservation and economic development," Lujan called for a new consensus that would preserve the beauty of the planet and promote the economic welfare of the people.

He took a swipe at environmentalists opposed to drilling on the outer continental shelf, saying they were making the program a scapegoat for tanker spills. And came down even harder on environmental terrorists, charging them with "hypocrisy at its worst."

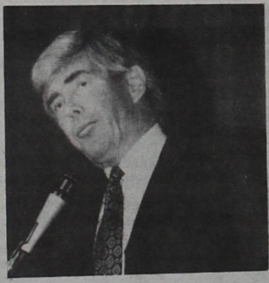
Lujan comes across as a genial man, who early on in his address poked gentle fun at himself and his department. "In my travels around the country, you don't always have some of the most complimentary things to say about us, here."



Manuel Lujan

Kemp plots new American politics

By Beverly Schlotterbeck
editor



Jack Kemp

Billing himself as a "radical grass roots populist democratic Republican," Jack Kemp, President Bush's secretary of housing and urban development, gave a spirited, campaign-like address to delegates at the Legislative Conference, March 19, that sought – among other things – to redefine the playing field for domestic politics.

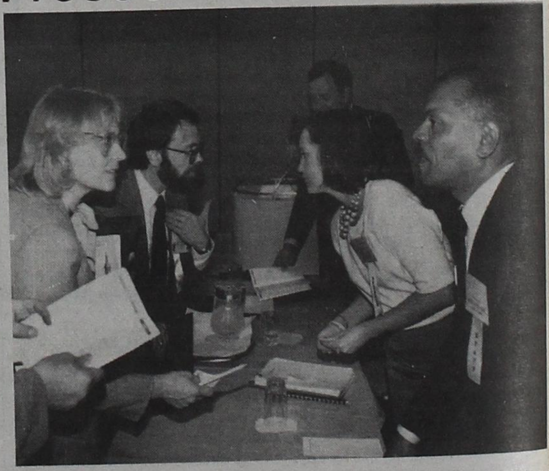
In his vision, the new domestic politics no longer pits Democrat against Republican, nor right against left, nor even liberal against conservative. Rather the "fault line in American politics is driven between people who believe in rewards, in trusting people, trusting markets, and elitists who look on poor people as permanently poor."

Kemp characterized the first war on poverty as an elitist venture whose leaders assumed that some people will always be poor. By way of contrast, the new war on poverty would need first, a change in attitude toward the country's poor — from underclass to resource — and second, programs that would provide hope and security, rather than anesthiaztion.

He proposed that minimum or near–minimum wage earners — those on the "first, second, third or fourth rungs up the ladder" — go untaxed. He described America's tax code as an embodiment of Judeo-Christian ethics and linked this spirit to a call for dramatic new tax legislation to establish enterprise zones. Not unsurprisingly, he also promoted the administration's Home Ownership and Opportunity for People Everywhere (HOPE) housing program and ended his speech, as he had begun it, with a reference to Eastern Europe. "How can we expect to tell those people over in Eastern Europe about democracy, unless we can make it work here."

RTC, a new resource for counties

By Beverly Schlotterbeck
editor



Conference delegates (l) ask questions of RTC speaker Barbara Thompson and NACo Associate Legislative Director Haron Battle.

The Resolution Trust Corporation (RTC), created by Congress in the aftermath of the savings and loan crisis, is the federal agency charged with closing or reorganizing failed thrifts.

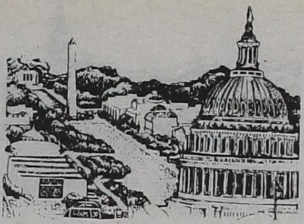
RTC is charged with making home ownership and rental housing opportunities available to very low income, lower income and moderate income families through the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). It does this by offering a 90-day "first look" option to individuals in these categories, before it offers the properties for sale on the general market.

RTC and the resources it might offer to counties in search of additional housing stock for its low or moderate income citizens was the focus of remarks presented by Barbara J. Thompson from the National Council of State Housing Agencies (NCSHA) at the March 19 workshop, "Resolution Trust Corporation: New Resources for County Affordable Housing." Thompson, who is NCSHA legislative affairs director, has been tracking RTC's progress since its inception last fall.

RTC's initial housing inventory, released in December, listed 713 properties. Although the initial inventory was very small, Thompson said there are at least 10,000 other properties now in conserveratorship that will eventually be added to RTC's inventory.

Presently, these properties are concentrated in five states — Arizona, Colorado, New Mexico,

See RTC, next page



1990 Legislative Conference

The eye of the storm focuses on FEMA

By Jill Conley
staff writer

The workshop entitled "In the Eye of the Storm: Federal Disaster Assistance on Trial" drew a roomful of jurors when county officials from both coasts convened in the aftermath of Hurricane Hugo and the Loma Prieta earthquake to evaluate the effectiveness of responses by the Federal Emergency Management Agency's (FEMA) which is currently under investigation by the U.S. General Accounting Office.

Charleston County, S.C. Councilmember R. Keith Summey offered delegates a comprehensive critique of his county's experience with FEMA.

FEMA was slow to start, he said, and the bureaucracy was overwhelming. When FEMA personnel finally arrived in Charleston, "the people who came didn't have the decision-making authority," he said. "We were told that decisions we made early on were not within the guidelines. The problem is that if you're a first-time victim, you don't know what questions to ask."

Summey added, "we didn't need to hear about rules and restrictions, we needed electricity, water, chain saws and generators. The bureaucracy was massive."

He went on to say that the time it took to fill out all of the paperwork was valuable time lost in the county's disaster recovery effort. For instance, 70 damaged cars in the same parking lot required county officials to fill out 70 separate damage survey reports.

Another example of how bureaucracy at FEMA resulted in lost time for the county was an effort to survey irrigation ditches for blockage after the hurricane. "It took more money and time — two months — to survey 650 ditches for debris blockage than it would have cost to clean up all 650 ditches," said Summey.

After calling FEMA overly bureaucratic and inflexible, Summey said, "The truth is that FEMA was a godsend. If it hadn't been for FEMA we would have lost $28 million as a government, whereas now we will see only $1 million in losses, he said.

R. Keith Summey (l) responds to delegate questions after sharing his county's experience recovering from Hurricane Hugo.

Monterey County, Calif. Supervisor Barbara Shipnuck was also on hand to give delegates an overview of what officials in her county learned from the "great quake" about their role in disaster recovery.

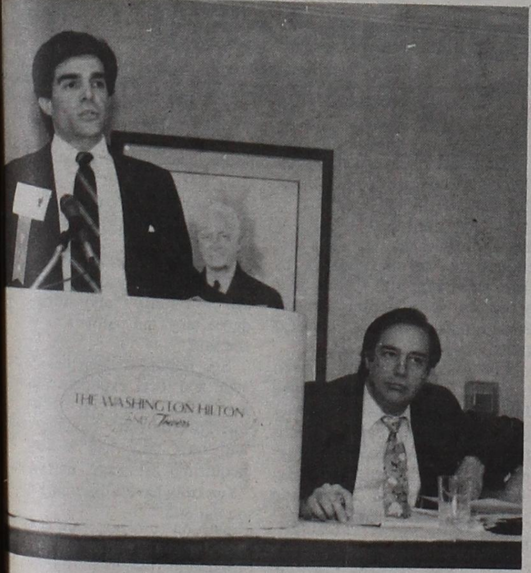
"We, as elected officials, must take disaster preparedness much more seriously than we do now," she said, advising delegates to have a single individual assigned to coordinate recovery in the event of a disaster even if it meant sharing that coordinator with another county. "In California, we found that those jurisdictions that responded best were those which were most prepared," she said.

She went on to stress the importance of having an emergency communications system completely in place and making sure FEMA and state agencies have a clear structure for dealing with multi-county disasters.

"The greatest difficulty we had in Monterey County was that we were totally without electricity," said Shipnuck. "Many parts of the county were without water because electric pumps were down." The county's immediate concern was to secure enough generators to keep small water systems running.

To get assistance during a disaster local officials must go up the chain of command to the state which, in turn, contacts FEMA which sends approval back down the chain. "To get generators moved across the street, we had to go through the state to the federal government," said Shipnuck, who added that Monterey County is now developing a list of private equipment to avoid time delays in the event of future disasters.

Peace dividend impact to be largely local



r) Samuel F. Minnittee, Jr., director, Office of Economic evelopment, Anne Arundel County, Md. and Gordon Adams, rector, Defense Budget Project, at a workshop entitled "The eace Dividend — Impact of Global Change on Local onomies," Sunday.

By Susan D. Grubb
staff writer

With the cooling of Cold War tensions and the anticipated decrease in defense spending, officials at all levels of government are hoping to get a piece of the "peace dividend."

Likening the dividend to a sold-out movie with a line wrapping around the block several times, Gordon Adams, director, Defense Budget Project, predicted Pentagon spending will be driven down slowly and that the change will be felt more locally than nationally.

"The change isn't going to hit all at once. It will go down two or three percent each year, more slowly than after the last two wars," he said at a Sunday afternoon workshop. Immediately after the Korean War, four percent of the GNP shifted to non-defense purposes; 3.7 percent after Vietnam.

Throughout the '80s, the fastest growing area in defense was hardware production, he said. The "people share," civilians and those in the military, remained steady or declined. With more cuts in both areas expected, training and retraining the work force will be an important state and local role.

Currently, defense spending is made up of 23-24 percent of federal budget outlays, he explained, and 60 cents of each defense dollar goes toward military deployment in Europe.

Adams sees an opportunity for Congress to "spend down" this year's defense budget since Secretary of Defense Richard Cheney has no strategy for doing so. However, he said, "I don't hear a majority saying to bring it down faster than five percent a year."

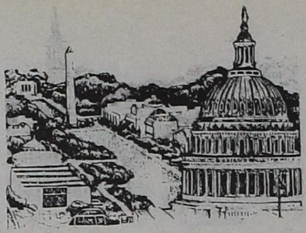
RTC from previous page

Texas and Louisiana, but properties exist in other areas of the country and more will be added as thrifts continue to fail, she added.

A system of clearinghouses is being established by RTC to disseminate information about RTC properties. State housing finance agencies and the Federal Home Loan Bank Board's Office of Community Investment will be designated as clearinghouses.

Nationally-based non-profit corporations can also apply to be clearinghouses.

For more information about RTC's program, contact one of RTC's four regional offices: RTC East, Atlanta, Ga., 404/522-1145; RTC Southwest, Dallas, Texas, 214/953-2300; RTC Central, Kansas City, Mo., 816/531-2212; and RTC West, Denver, Colo., 303/820-4242.



1990 Legislative Conference

Experts disagree on orphanage issue

By Jill Conley
staff writer

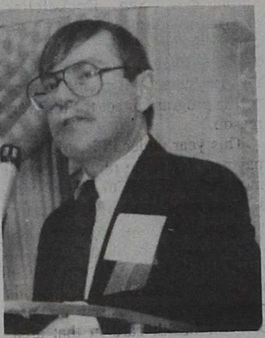
A panel of children's services specialists offered conference delegates far-ranging perspectives on the use of orphanages as an alternative for hard-to-place children and adolescents at a workshop entitled, "1990s: The Era of the Orphanages?" Sunday, March 18.

"The number of children who are-out-of-home today in the United States has reached a crisis level," Karabelle Pizzigati, staff director of the U.S. House Select Committee on Children, Youth and Families told county officials. "We are entering an era where orphanages are on the front burner of discussions about children's issues."

Pizzigati went on to discuss how systems currently on line for dealing with out of home children and adolescents have been unable to respond to the growing number of kids who face physical abuse, neglect, poverty, homelessness, substance abuse and a lack of access to health care.

While the number of children who need homes is steadily rising, foster homes have become increasingly unavailable. "We have a lot of kids with no place to go," she said. For this reason, the subcommittee is beginning to look at the development of facilities where integrated services could be offered to what Pizzigati called, "the tougher cases."

Jake Terpstra, foster and residential care specialist for the Children's Bureau at the U.S. Department of Health and Human Services told the group that the reason child welfare services are not responding well to children needing out-of-home care is that the problems kids face are getting tougher. Supporting this assertion, he cited a long list of statistics that included a 30 percent high school drop-out rate, a 50 percent increase in teenage pregnancy rates, increased teenage suicides, and an increase in child abuse and neglect that has resulted in 1,225 children killed each year.



Steve Fox, director, Governmental Relations, Department of Children's Services, Los Angeles County, Calif., offered delegates an overview of his county's integrated foster care plan.

"The child welfare system does not appear to offer much help," said Terpstra citing a 40 percent increase in foster parent turnover as well as a high attrition rate for case workers.

That orphanages may be more efficient than the current child welfare system and that they are cheaper than hospitals, provides a strong argument for the establishment of orphanages, said Terpstra "But, does this look at what's best for kids?" he asked. "The fact is that children grow best in families where meeting lifetime needs is possible."

Before turning to the orphanage model, Terpstra suggested that policy makers consider the development of system that focuses on the development of specialized foster homes, in-home service provision, day treatment programs and adoption.

Fred Taylor, executive director, For the Love of Children, Inc., echoed Terpstra's concern about placing children in institutions. "Children need families," he said. "A family gives you a legal status and a social status out of which you grow as a human being."

Taylor said what is needed is a better foster care system — one in which foster parents receive training, technical support and perhaps even monetary assistance and one in which natural parents are either forced to "clean up their act" or permanent foster homes would be found for their children.

"The institutional approach is attractive because it's easy to understand," he went on, "but it doesn't address what children inherently need. In Washington, those of us from the family perspective will go head to head with any steps toward the institutionalization of children."

Future of transportation policy remains uncertain

By Susan D. Grubb
staff writer

Still upset by the Bush administration's ill-received transportation strategy which heaps more financial responsibility on local government, delegates filled the room of Monday's transportation workshop to hear congressional reaction to the plan.

The Bush administration's current budget request for transportation is $26.8 billion, reported Ken Kraft, appropriations counsel to U.S. Representative Lawrence Coughlin (R-Pa.), who is the ranking member of the House Transportation Appropriations Subcommittee. The request is 1.9 percent above last year's, but four percent below what was appropriated.

"The problem with Bush's budget is that it is prepared on a faulty base ... it is predicated on the receipt of user fees," he said.

Meanwhile, user fees in the highway and aviation trust funds (approximately $26 billion) are currently going unspent and being used to make the federal deficit appear smaller.

Taking both trust funds out of deficit reduction calculations is opposed by members of the House Appropriations Committee, as well as Bush.

Their feeling about it, he said, is "if you take them off budget, you make deeper cuts in other areas. There's just not enough to go around."

"We intend on trying to get at that money," said Paul Schlesinger, staff director, U.S. House Public Works and Transportation Committee, which is currently conducting hearings on transportation programs. "The biggest single thing we can do for transportation programs is to look at trust funds."

Local governments are facing transportation problems in the air and on the ground. Since 1974, he said, no new airports have been built while the number of passengers is expected to double in the next 20 years.

A delay on a traffic-congested road of 20 minutes a day costs commuters two years of work time, he added. "It's not realistic for us to think that you have the resources to meet those needs."

Legislation is expected to be drafted by the committee at the end of the year.

Taylor Bowlden, legislative director to U.S. Senator Steve Symms (R-Idaho), ranking minority member of the Senate Water Resources, Transportation and Infrastructure Subcommittee, believes the administration's transportation policy is "a good step forward." He says, "it admits that we need to rethink our priorities."

"I don't think we'll see the administration propose a reduced financial commitment to local roads," however, he added that local government as well as the private sector need to increase their commitment.

Sen. Symms and other subcommittee members plan to propose taking the trust funds out of deficit reduction calculations and increase spending in highway and aviation programs, Bowlden said.

Field hearings on the Surface Transportation Act are now underway.

Intergovernmental relations cool

By Susan D. Grubb
staff writer

The death of revenue sharing, the Gramm-Rudman-Hollings Act and the South Carolina v. Baker case are just a few of the key events in the '80s that contributed to the erosion of intergovernmental relations, according to a recent General Accounting Office (GAO) study.

Today, relations are driven by three key trends, explained John Kaminski, assistant director of intergovernmental relations for GAO, at a Sunday afternoon workshop: deficit-driven federalism, increased regulation and increased state prominence.

Lynn Lawson, deputy to the special assistant to the president for intergovernmental affairs, thinks the Bush administration is making an effort to improve local/federal relations.

President Bush has actively sought local input in federal policy, she pointed out.

NACo officials met with the president before the release of the national drug control strategy and prior to his education summit with the governors.

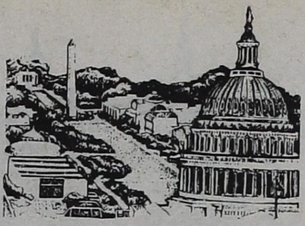
"This administration realized early on that local governments are not only laboratories in democracy, but partners as well," she said.

She reminded delegates of the state and local experience shared by the White House intergovernmental relations staff and how they had a hand in acquiring arbitrage extensions. "You truly have a listening session on our end."

Camden County, N.J. Freeholder Robert Andrews disagrees.

Andrews, another workshop speaker, characterized the local/federal relationship as "Thomas

See RELATIONS, next page



1990 Legislative Conference

Encouraging news for rural health care

By Susan D. Grubb
staff writer

Over the last several years, rural America has witnessed an exodus of physicians. Its hospitals struggle to give adequate care while its local governments try to keep up with high costs.

Rural health professional Sherry Kaiman, however, brought county health officials some encouraging news at Monday's workshop.

In the past, explained Kaiman, government affairs consultant with the National Rural Health Association, the disparity rate for Medicaid reimbursement to rural hospitals was about 40 percent, but is now 7.5 percent.

Kaiman expects several pieces of legislation improving the rural health care situation to clear Congress.

One bill offers each state the opportunity to establish a state office for rural health. Sponsored by U.S. Senator Thad Cochran (R-Miss.) in the Senate and U.S. Representative Charles Stenholm (D-Texas) in the House, funding would come from a federal grant of about $50,000 with a matching amount from the state.

Another bill sponsored by Sen. Cochran contains language to coordinate interaction between U.S. Department of Agriculture extension workers and county health officials, and the funding each side works with. "Sometimes in Washington we forget where the money goes."

Kaiman expects this legislation to be part of the omnibus farm bill.

She predicted that by the end of the year, the National Health Service Corps, a program that places health professionals in underserved areas, would be reauthorized with more funding. U.S. Senator Edward Kennedy (D-Mass.) will introduce a reauthorization bill this year and President Bush has money in his budget for it. "It's rewarding to see this come to the forefront."

"All the health care in the world won't reach rural areas without certain programs like the National Health Service Corps," added Mary Ella Payne, legislative assistant to U.S. Senator John D. Rockefeller (D-W.Va.).

Rural areas need general practitioners, not specialists, she emphasized. Sen. Rockefeller, chairman of the Senate Medicare and Long-Term Care Subcommittee, is working to keep the Physician Payment Reform (PPR) program intact for this very reason.

This year under PPR, Medicaid payments to these physicians will increase from 17 to 38 percent, giving them an incentive to practice in rural areas.

Rockefeller is also trying to reform the reimbursement system for hospitals. Currently, hospitals receive payment based on past costs of health care in that area, under the Prospective Payment System.

"Average payments don't work with rural hospitals," Payne said. "To decrease the inequity of payment we want to give rural hospitals an update factor."

Funding for Rural Health Transition Grants will increase from $8.3 million to $18 million, she added. These funds are used to improve ambulatory and home care services, home and respite care, and to establish health promotion programs. "It gives [rural health officials] the ability to take a breath and plan and meet the needs of the community."

(l) Speaker John Hoff, executive director, West Virginia Association of Counties, responds to delegate questions at Monday's workshop, "Accessing Health Care in Rural America," moderated by Commissioner Dorothy Grotte, Martin County, Minn.

Indigent health care: nowhere left to turn

By Jill Conley
staff writer

Dennis Andrulis, National Public Health and Hospital Institute; Tom Barker, legislative director to U.S. Representative Brian Donnelly (D-Mass.); and Robert Gates, director of Health Services for Los Angeles County, Calif. shared their perspectives on the role of public hospitals in the indigent care system with delegates at the first half of a workshop entitled, "Nowhere Left to Turn: Counties Confronting Indigent Health Care" Sunday, March 17.

Dennis Andrulis began the workshop by offering an overview of the status of public hospitals in the '90s. "The initial crisis of indigent health has been aggravated by the deadly triangle of violence, drug abuse and AIDS," he said. "Emergency rooms are becoming war zones."

Andrulis went on to review the results of a recent survey of members of the National Association of Public Hospitals (NAPH). The survey found that public hospitals are collecting an average of only 41 cents on the dollar for services rendered. This is, in part, due to the fact that bad debt and charity care services are steadily rising.

The AIDS epidemic has also placed an enormous financial strain on public hospitals, according to Andrulis. "There is no Medicare available for AIDS patients," he said. "This leaves us with holes in our safety net."

The second speaker, Tom Barker, outlined H.R. 2207 for workshop attendees. The NACo-supported bill, authored by Rep. Donnelly, would limit a private non-profit hospital's ability to issue tax-exempt bonds if that hospital failed to provide a certain level of indigent care.

If passed, the bill would create a huge incentive for private non-profit hospitals to assume a fair share in providing care to the poor if they wished to continue to use tax-exempt financing mechanisms, Barker said. Non-profit hospitals currently receive federal support in the form of Medicaid and Medicare reimbursements, income and property tax exemptions, the ability to accept tax deductible contributions, and the ability to use tax-exempt bonds without limitation.

Robert Gates, who oversees one of the nation's largest public health departments, offered delegates a perspective on insufficient access to health care services in the United States.

In addition to rising number of uninsured, Gates cited three causes for what he said was "not a lack of access, but a lack of equitable access" to health care services. The first, he said, has been a decade of funding neglect at the expense of capital projects. The second, a steady increase in uncompensated care. In Los Angeles County, 75 percent of all public health services delivered fall into this category.

Finally, he pointed out that Medicaid and Medicare reimbursement rates are not sufficient to encourage private providers to participate in the programs. This contributes to patient dumping.

In closing, Gates offered county officials a worksheet listing a series of questions critical to the evaluation of local proposals to expand access to health care. For a copy of that worksheet, contact Sandra Jones Anderson, director, Los Angeles County Governmental and Community Relations, at 213/974-7576.

RELATIONS from page 16

Jefferson's worst nightmare."

The role of central government is to protect local government where it is most democratic, he explained.

Andrews zeroed in on the administration's new transportation policy, a plan calling on state and local governments to raise taxes in order to shoulder most of the infrastructure funding.

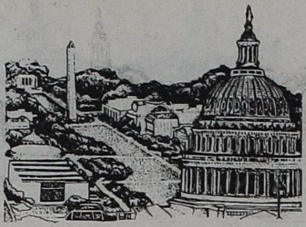
The policy, which he sees as more of an excuse than a policy, is missing three key elements:

1) reallocation of federal resources and priorities;

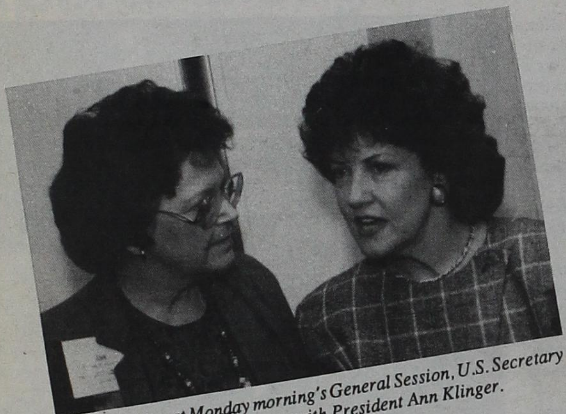
2) more freedom from federal regulations; and

3) an understanding that transportation decisions should be long-term.

Andrews reads President Bush's lips as saying, "I won't collect the taxes, you will."



1990 Legislative Conference

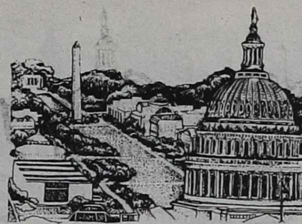


After speaking at Monday morning's General Session, U.S. Secretary of Labor Elizabeth Dole chats with President Ann Klinger.

U.S. Senator Strom Thurmond (R-S.C.) (l) and South Carolina Delegate Johnnie Flynn of Beckley County talk at Tuesday morning's breakfast on Capitol Hill for the state's delegation.

(l-r) First Vice President Mike Stewart; President Ann Klinger; U.S. Secretary of Labor Elizabeth Dole; and Second Vice President Kaye Braaten backstage after Monday morning's General Session.

(l-r) Second Vice President Kaye Braaten; NACo Legislative Director Ralph Tabor; First Vice President Mike Stewart, NACo Associate Legislative Director for Environment, Energy and Land Use Barbara Paley; and Environment, Energy and Land Use Steering Committee Chair Ran Franke, commissioner Marion County, Ore., on the steps of the U.S. Capitol after meetings with congressional leaders.



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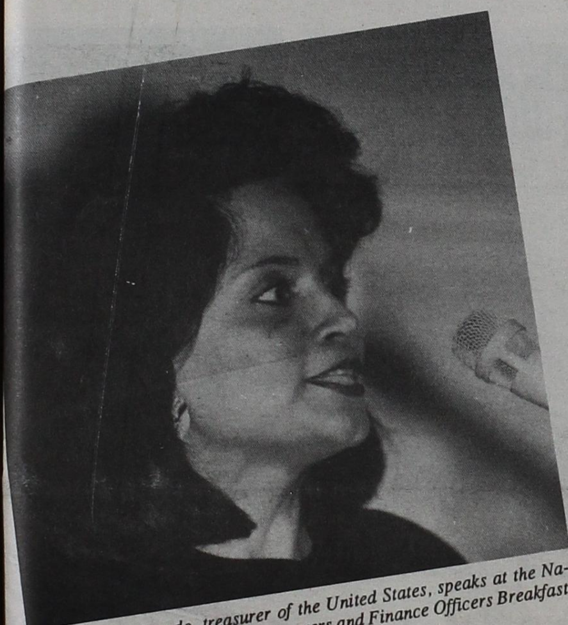
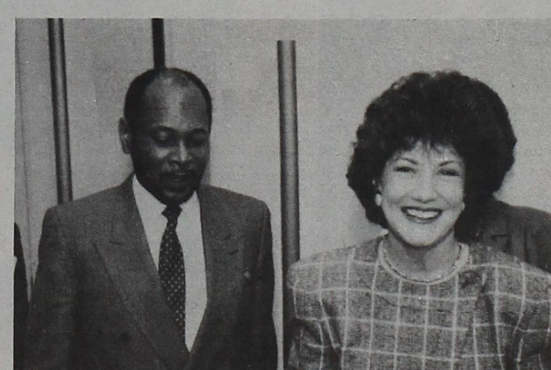


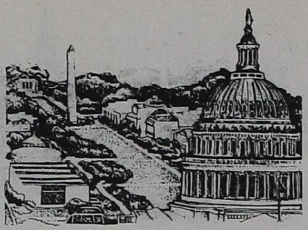
Catalina Villalpando, treasurer of the United States, speaks at the National Association of County Treasurers and Finance Officers Breakfast, Tuesday morning.

During a meeting in his Capitol Hill office, President Ann Klinger presents Speaker of the House Tom Foley (D-Wash.) with a flashlight commemorating her presidential year of "spotlighting" county government.

U.S. Senate Majority Leader George Mitchell (D-Maine) (l) meets with Second Vice President Kaye Braaten and First Vice President Mike Stewart in his congressional office where clean air topped the agenda.



Employment Steering Committee Chair Hubert Price, commissioner, Oakland County, Mich., and U.S. Secretary of Labor Elizabeth Dole in NACo Headquarters after her speech to conference delegates.



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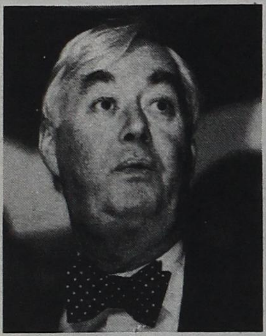
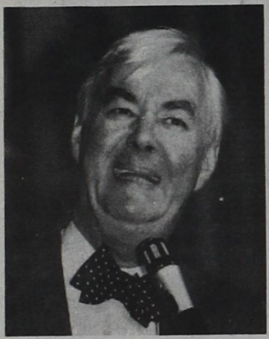
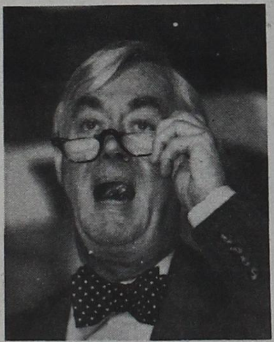
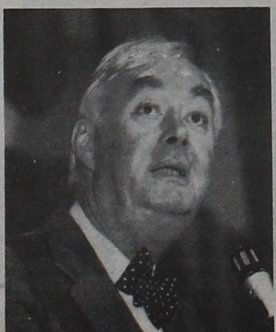


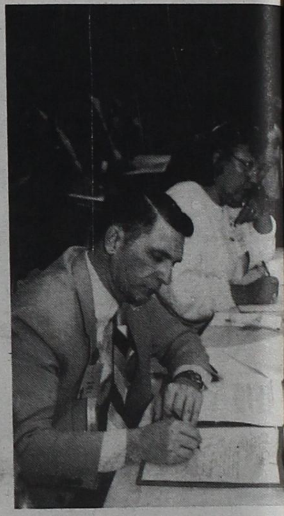






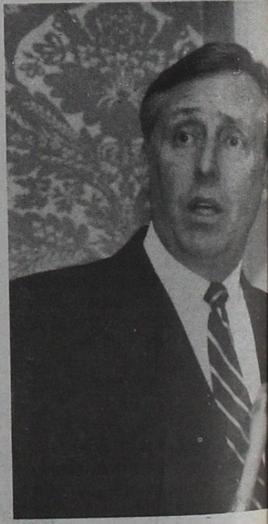
The many faces of U.S. Senator Daniel P. Moynihan (D-N.Y.) at Monday's Luncheon.

Dr. Jerome Miller, president of the National Center on Institutions and Alternatives, speaks to the Justice and Public Safety Steering Committee, Saturday, on corrections reform.

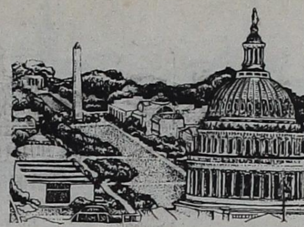


Dennis Goggin, Chautauqua Cou takes notes during Saturday's Tran Steering Committee Meeting.

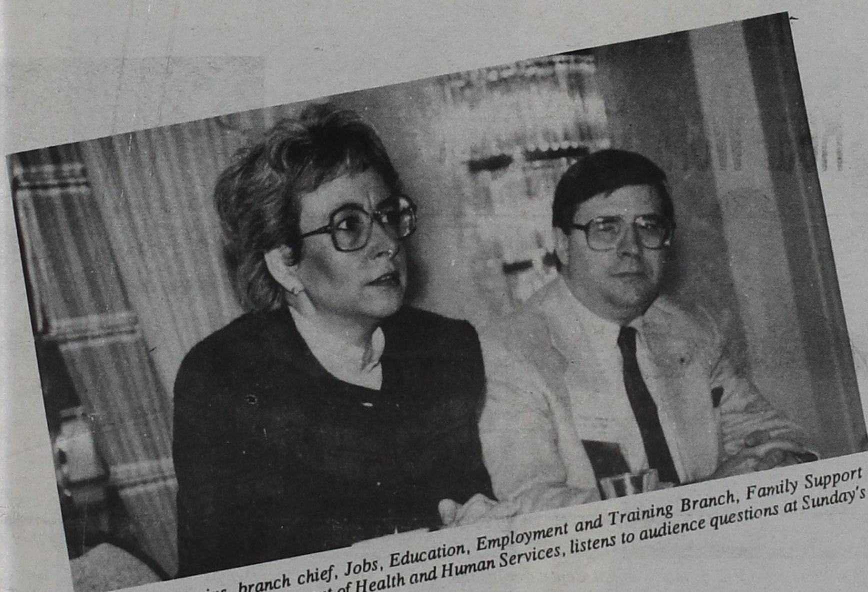
Employment Steering Committee Chair Hubert Price, commissioner, Oakland County, Mich., makes his point during Saturday's committee meeting.



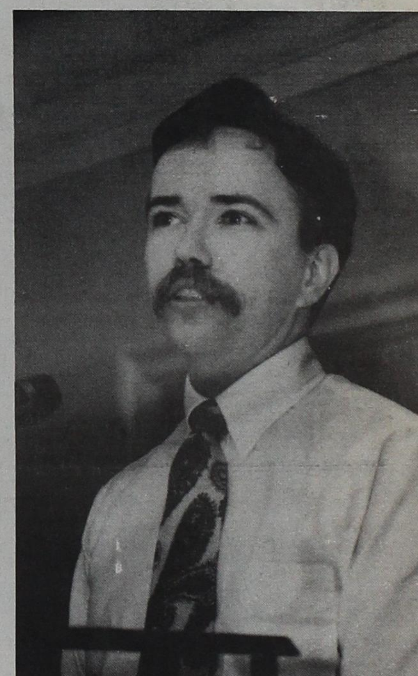
U.S. Representative Steny Hoye speaks to the Human Services and Steering Committee Meeting on Sat



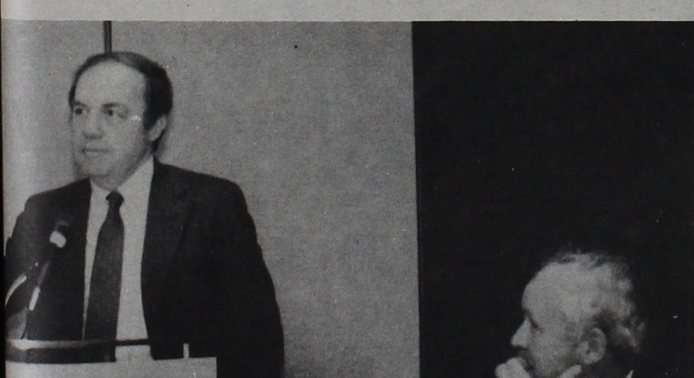
1990 Legislative Conference



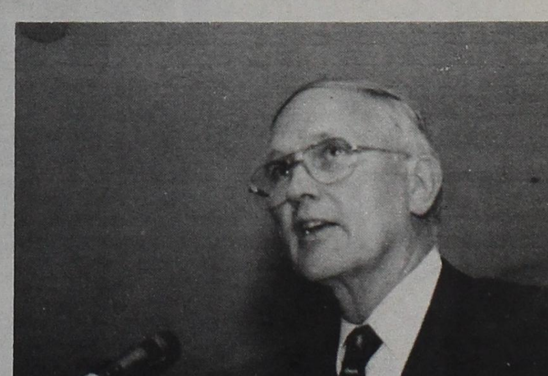
Mary Ann Higgins, branch chief, Jobs, Education, Employment and Training Branch, Family Support Administration, U.S. Department of Health and Human Services, listens to audience questions at Sunday's "Welfare Reform" Workshop.



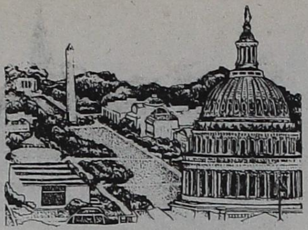
Tim Westmoreland, counsel, U.S. House Energy and Commerce Subcommittee on Health, at Sunday's "Federal Action and HIV Infection/AIDS" Workshop.



John Montgomery, counsel, National Rural Water Association, speaks at a Sunday workshop entitled, "Is There Help for Rural Counties in Meeting Safe Drinking Water Standards?"



At Monday's workshop on amending civil rights legislation, Deputy Assistant Attorney General James Turner, U.S. Department of Justice, Civil Rights Division, was a featured speaker.



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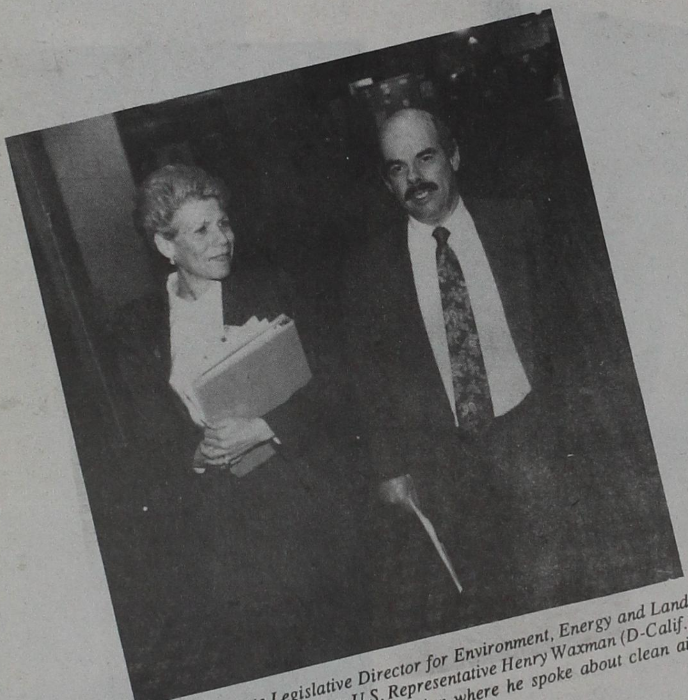
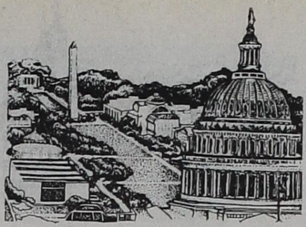


NACo Associate Legislative Director for Environment, Energy and Land Use Barbara Paley escorts U.S. Representative Henry Waxman (D-Calif.) to Monday morning's General Session where he spoke about clean air legislation.

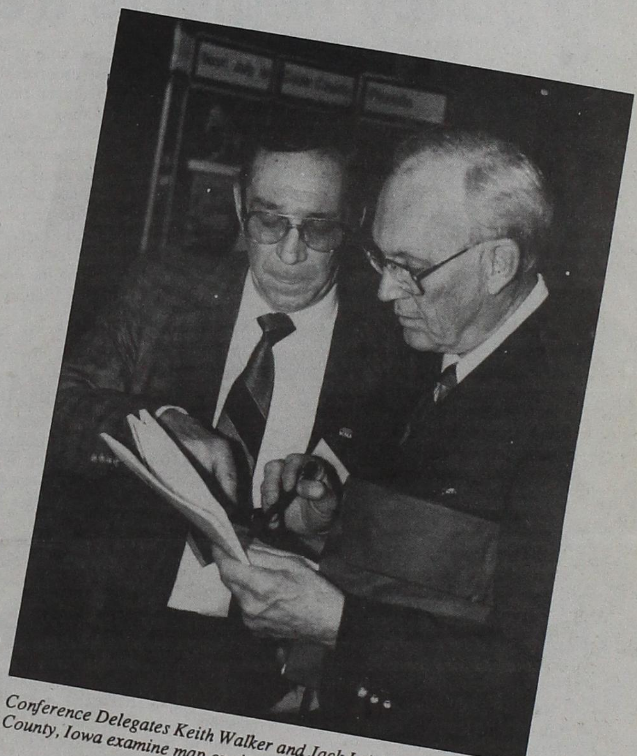
First Vice President Mike Stewart entertains delegates at the Opening General Session by singing two Irish tunes, "That Tumble Down Shack" and "Danny Boy."

Hundreds of delegates made their way to Capitol Hill during their stay in Washington to meet with their congressional representatives about a variety of county issues.



1990 Legislative Conference

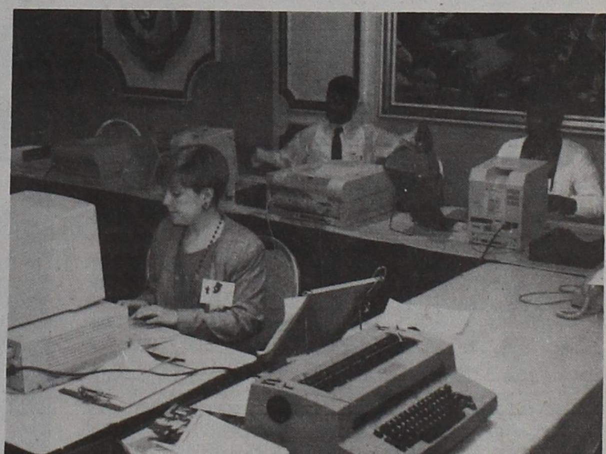
At Saturday's Human Services and Education Steering Committee Meeting, Committee Chair Hilda Pemberton, councilmember, Prince George's County, Md., moderates.



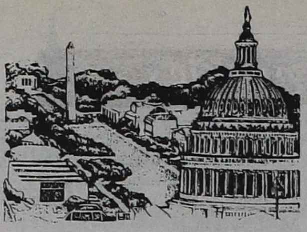
Conference Delegates Keith Walker and Jack Leinbaugh of Cherokee County, Iowa examine map on the way to their next workshop.

U.S. Senate Chaplain Rev. Richard Halverson and Second Vice President Kaye Braaten get acquainted before the Opening General Session.

Alumni of Job Training Partnership Act programs pose with U.S. Secretary of Labor Elizabeth Dole before meeting with her to discuss their successes with the program.



NACo staff members Lesli Gray, Tony Cox and Cynthia Marshall in NACo's Conference Headquarters where steering committee resolutions are produced.



1990 Legislative Conference

Drug policy neglects treatment and prevention

Paula Musto, Dade County, Fla., addresses a panel of speakers at Sunday's drug policy workshop.

By Susan D. Grubb
staff writer

When asked what they see as problems of the future, most county officials say drug abuse and turn to their law enforcement and corrections people for help, not their local health directors.

"We are minimally involved," said Alfred Allen, M.D., director, Health Department, Tacoma-Pierce County, Wash., who believes more of the federal drug control resources should be poured into treatment programs. "We're only hitting a small fraction with prevention and treatment," he said at a Sunday workshop.

"Drug abuse has not been called an epidemic and laid at the feet of health directors" as are other diseases, he explained. "No one in the public health field has a panacea for solving the drug epidemic, but we also didn't years ago for typhoid."

William Butynski, Ph.D., executive director, National Association of State Alcohol and Drug Abuse Directors, also believes increased funding for drug treatment is imperative.

Only about $124 million was allocated to state alcohol and drug abuse services by the federal government in FY88. An increase of $100 million is requested in President Bush's current budget, he said, and the Democratic alternative budget calls for an increase of $2 billion.

Drug treatment could have a great impact on the cost of treating AIDS patients, he explained. In some areas of the country, more than sixty percent of intravenous drug users have AIDS, causing a great strain on hospitals. By the time an AIDS patient dies, approximately $100,000 has been spent on their care.

Alcohol abuse has an even higher societal cost than drugs, he added, and must be addressed.

In FY88, the total number of admissions to state drug treatment programs for all types of drug abuse was 518,851. The number of admissions for alcohol, however, was much higher at 1,217,285.

"Drugs get a lot of attention because we can focus on one bad person ... alcoholism comes closer to us," he said. "We may want to have the same compassion for drug abusers as we do for alcoholics."

Because it is an election year, Congress is expected to pass a drug bill this session, predicted Edward O'Connell, counsel to the House Subcommittee on Crime. The new bill would update drug legislation passed in 1988.

Some anticipated changes include a revision of the funding formula for law enforcement grants to states and localities, although changes have not yet been proposed.

Currently, the federal government puts up 75 percent of grant and the state or locality must contribute the remaining 25 percent.

Language to help ease prison crowding may also be included. "There are approximately one million people in prisons today, twice the amount of ten years ago," O'Connell said. "Right now, states can either incarcerate or give probation ... judges want more alternatives."

Solid waste mgt. to change dramatically in 90s

By Jill Conley
staff writer

As Congress and the Environmental Protection Agency (EPA) draft new legislation and regulations for solid waste, county officials throughout the country are struggling to keep abreast of constantly changing standards, rules and deadlines. More than 300 elected officials turned out for the workshop entitled, "Will the Feds Leave Counties Holding the Bag? The Upcoming Battle Over Solid Waste Legislation" Sunday, March 18.

Tapio Kuusinen, director for Environmental Legislation, Subcommittee on Transportation and Hazardous Materials, U.S. House Energy and Commerce Committee, opened the discussion with a brief overview of what counties might expect from the upcoming reauthorization of the Resource Conservation and Recovery Act (RCRA), the basic legislation regulating hazardous and non-hazardous solid waste. The act expired Sept. 30, 1988, but programs under its jurisdiction have been funded through the current fiscal year.

Kuusinen told the group that the subcommittee is attempting to put together a non-hazardous solid waste management plan that would include a 50 percent recycling goal in eight years. States would be required to submit comprehensive plans which meet a long list of federal criterion including EPA's proposed regulations. States without federally approved plans would be banned from exporting their waste except for recycling purposes.

Kuusinen asked delegates for their input in the plan's development saying, "I don't think that this is a top-down process. We're not trying to create policy and shove it down the throats of local governments."

Bruce Weddle, director, Municipal Solid Waste Programs, EPA, echoed Kuusinen's call for local government input. "Solid waste management is going to change dramatically over the next five years and you folks are going to be on the forefront of it all," he said.

Weddle told delegates that EPA's new landfill regulations are currently ready to be sent to the Office of Management and Budget for final review and that they would probably be published in June with implementation required within 18 months of publication. According to Weddle, those regulations will:

- require landfills to operate with daily covers and to be designed with liners, leachate collectors and gas collectors;
- require groundwater monitoring and correction of any contamination found for 30 years;
- prohibit landfills from being constructed in sensitive areas; and
- require that money be set aside for proper closure of landfills.

After offering brief comment on a number of solid waste proposals currently being considered in Washington, Weddle advised county officials to "find the most stringent regulations under consideration and design your landfills to conform."

More than 300 county officials attended the workshop entitled "Will the Feds Leave Counties Holding the Bag? The Upcoming Battle Over Solid Waste Legislation" Sunday, March 18.

News from the nation's counties

North

NEW YORK

• A plan developed by HEMUNG COUNTY and uthern Tier Pediatrics, Inc. has n state approval to provide edical care for Medicaid-eligible ildren and young adults ginning this month.

This decision allows the county d Southern Tier to establish a anaged Care program for edicaid recipients ranging in age m newborns to 21-year-olds.

Program participants will see a uthern Tier Pediatrics doctor on appointment basis for a wide nge of medical services, luding well-care check-ups. eferrals will be made when cessary.

It is expected that the plan, which ludes a prevention element, will duce emergency room visits ich are significantly more pensive than visits to doctors' ices.

Approval of the plan is the result nearly eight months of otiations between the county, uthern Tier and the state Social vices Department.

PENNSYLVANIA

Enforcement of a tough new lection policy for overdue real ate taxes recently began when ning letters were mailed to 00 ALLEGHENY COUNTY perty owners who have not yet d a cumulative total of $2,287,000 — plus penalties and interest — in lien property taxes up to and including 1986.

The letters are the first of many steps that will be vigorously enforced, according to George D. Braun, director of the recently formed Tax Claims and Revenue Department.

Those residents who do not respond to the initial letter within 15 days will receive a second notification that they must pay delinquent taxes within 10 days, or face having their names released to the news media and area credit bureaus.

The names of those ignoring the second warning letter will be sent to the county law department, which will prepare a Writ of Sci. Fa. — or default — judgement to be placed on the property. If the owner still does not respond, his/her name will be forwarded to the Department of Assessments, Appeals and Review which will conduct an investigation to determine whether the property is worthy of being auctioned off at a sheriff's sale.

South

MARYLAND

• HOWARD COUNTY Executive Elizabeth Bobo recently announced that the county's new agricultural financing program is a semi-finalist in a 1990 Ford Foundation and Harvard University awards competition, "Innovations in State and Local Government."

The Agricultural Land Preservation financing program was set up for acquiring development easements for the county's farmland preservation program. The initiative uses an installment sales agreement method which provides attractive tax and financial benefits to land owners and enables the county to acquire rapidly vanishing farmland from owners who want to protect their acreage.

The program allows the county to leverage available funds of $9 million to purchase $40 million worth of development rights. The approach will enable the county to achieve or come close to its original goal of acquiring 20,000 farmland acres for preservation.

The program also provides landowners with small principal payments during the 30-year life of the agreement with the bulk of the principal paid as a balloon at the end. The property owner also receives semi-annual tax-exempt payments at above market rates on the outstanding principal amounts.

• For the sixth consecutive year, PRINCE GEORGE'S COUNTY has received the Tree City U.S.A. award from the National Arbor Day Foundation.

Communities entering the nationwide program receive the Tree City U.S.A. designation upon recommendation by state foresters. Jurisdictions must have a tree ordinance, a legal tree governing body, a comprehensive urban forestry program and an observance of Arbor Day to qualify.

In addition to a special flag, Tree City U.S.A. communities receive a plaque and community signs and stickers that indicate additional qualifying years.

Midwest

MISSOURI

• MORGAN COUNTY Associate Commissioner and Missouri Association of Counties (MAC) Third Vice President Max Middleton was appointed by MAC President "Doc" Caster to serve on a new 10-member council being formed by the Missouri Highway and Transportation Department and the Consulting Engineers Council of Missouri.

The goal of the new advisory council is to foster a cooperative effort in improving Missouri's transportation system. Councilmembers, who will meet on a biannual basis, will discuss contract procedures, federal projects, national lobbying, and other intergovernmental issues relating to transportation.

West

CALIFORNIA

AB 3422, by Assembly Member Rusty Areias, would require each county and city to prepare and adopt a natural disaster economic revitalization plan to enable officials to respond to the aftermath of a natural disaster such as an earthquake, fire, storm or flood.

The economic revitalization plan would have to be adopted no later than Oct. 1, 1992 and would have to be incorporated into the general plan of the county and/or city.

The County Supervisors Association of California has not yet taken a position on the bill.

WASHINGTON

The Washington State Association of Counties (WSAC) is seeking to secure a veto of a bill which could lead the way to the jailing of negligent driving offenders — a measure that would prove extremely costly for counties. According to WSAC, chances are good that such a veto is soon forthcoming.

SB 5882, pushed by municipal court judges, stems from a federal case out of Virginia which held that if judges issue warrants or set bail for offenses which were not subject to a jail sentence, they could be personally liable for damages.

According to a WSAC report, judges alarmed at the potential financial ramifications of going after a negligent driving offender, sought to make negligent driving an offense for which one could be jailed for up to 90 days. In addition, they proposed to increase punishment for reckless driving by making it a gross misdemeanor with punishment ranging up to a year in jail.

Notices . . . notices . . . notices

CONFERENCES

■ The planning, design and nstruction of jails and rectional facilities is the topic of May 2-3 meeting at the iversity of Wisconsin-adison.

Sponsored by the University's partment of Engineering fessional Development, llege of Engineering, sessions lude the discussion of user/ ner concerns and the sentation of a case study of a quely functioning, cost-cient jail in Sumter County, Fla.

r more information, write to: gineering Registration, The consin Center, 702 Langdon Madison, WI 53706, or call: 462-0876 (toll-free), 608/262-9 (direct), ask for Engineering istration, FAX: 608/263-3160.

■ *"Effective Management of Public Sector Law Office,"* an erican Bar Association tinuing legal education gram, will be presented on May Washington, D.C., and again May 17 in San Francisco, Calif.

The program is designed for lawyers who practice in the public sector, either as employees of federal, state or local government, or as private practitioners on contract to governments. Sessions takes into account the uniqueness of public sector practice, emphasizing the competition to attract and retain high quality attorneys and support staff.

For more information, contact Joanne Davis, American Bar Association, 750 North Lake Shore Dr., Chicago, IL 60611, 312/988-5649.

■ **The National Council for Urban Economic Development** is sponsoring a conference on developing and implementing strategies for local economic development.

Scheduled for May 20-22 in Atlanta, Ga., workshops will teach attendees how to develop and manage a strategic planning process, determine how competitive a community is, and identify financial resources.

For more information, contact the National Council for Urban Economic Development, 1730 K St., NW, Washington, D.C. 20006, 202/223-4735, FAX: 202/223-4745.

■ *"Working Together to Eliminate Homelessness—A Total Community Response"* is the theme of the **Interagency Council on the Homeless'** workshops for Regions III and IV, June 19-20 in Philadelphia, Pa. (Region III = Pennsylvania, Delaware, Maryland, Virginia, West Virginia and Washington, D.C.; Region IV = Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, North Carolina and South Carolina)

The meeting will provide the opportunity to share ideas and models on how all sectors of the community can meet their responsibilities to resolve the problem of homelessness.

For more information, Region III attendees should contact: Patrick J. Mulligan, Region III coordinator, Interagency Council on the Homeless, Department of Housing and Urban Development, 105 S. 7th St., Philadelphia, PA 19106, 215/597-0519.

Region IV attendees should contact: Agustus L. Clay, Jr., Region IV coordinator, Interagency Council on the Homeless, Department of Housing and Urban Development, 75 Spring St., SW, Atlanta, GA, 404/841-4113.

■ The *Fourth National Public Productivity Conference* will be held in Albany, N.Y. on Sept. 10-11. The meeting is sponsored by the **New York State Office of Management and Productivity**, the **Governor's Office of Employee Relations**, and the **National Center for Public Productivity** at Rutgers University's Newark Campus.

Session topics include: public/private partnership in productivity; achieving quality through participation; measuring productivity performance; and the role of shared services in productivity improvement and technology transfers as they relate to productivity enhancement.

For more information, call the New York State Office of Management and Productivity at 518/473-9330.

PUBLICATIONS

■ **The American Bar Association's Urban, State and Local Government Law Section** is offering two bond publications for purchase.

"ABC's of Arbitrage" brings the reader up to date on legislation, regulations, rulings and other published authorities through July 15, 1989. *"Disclosure Roles of Counsel in State and Local Government Securities Offerings"* clarifies the activities, responsibilities and goals of bond counsel, attorneys for underwriters, issuers, borrowers, and credit enhancers.

For price and ordering information, write to: American Bar Association, Order Fulfillment 533, 750 N. Lake Shore Dr., Chicago, IL 60611.

■ An updated publications list from the **National Council for Urban Economic Development** is

See NOTICES, page 27

Neal R. Peirce

Health policy: playing the state card

Three years out of office, Colorado's ex-Gov. Dick Lamm hasn't mellowed a bit. In the early '80s, he was the first major public figure to take on high-tech medicine and the country's surfeit of physicians and hospital beds. And Lamm was the first to predict that our $1 billion-a-day health-care system was headed for the emergency ward.

Now the grim tomorrow that Colorado's genial, gray-haired iconoclast predicted has arrived. Federal and state treasuries are fast draining under the pressure of wildly escalating Medicaid and Medicare costs, while more than 30 million Americans go with no health coverage at all.

And Dick Lamm, prickly as ever, notes how medicine is shoving us into "a fiscal black hole" and that a health system both gilt-edged and grossly inefficient is "unsustainable" in the new international economy.

"We simply can't afford to give presidential health care to all Americans," Lamm told a recent health conference here. Limits, he said, have to be set. And Lamm insists we'll "lose an incredible opportunity" if we don't turn to the states as our critical "laboratories of change."

Democrat Lamm is no longer a lone voice. Republican Gov. John R. McKernan Jr. (Maine) tells *National Journal:* "The states are ripe for change. Our health-care budgets are going through the roof and yet thousands are not getting access to care."

A few years ago, the states' chief headache was uninsured poor people. Now it's the poor plus more and more middle-class families faced by health-insurance premiums that have soared beyond affordability.

On top of it all, the insurers are starting to blacklist and deny coverage to classes of people they don't think are profitable enough to cover — employees of small firms and people in occupations ranging from bartenders to taxi drivers to oil drillers to dancers.

The bottom line: States and cities end up footing the bill for people for whom neither the federal government nor the private sector want to pay. The costs quickly run into the billions.

The biggest surprise of the season came when conservative Republican Gov. George Deukmejian endorsed a plan that would force California employers to assure medical coverage for all their workers and the workers' dependents. But even then, millions of unemployed or very poor Californians wouldn't be covered. Last year, uncompensated hospital care in California hit $4.8 billion.

California may even face ballot initiatives mandating universal health coverage. Barring cost-containment measures yet to be written, the financial repercussions could be stunning.

Oregon has taken another path. It passed legislation that obliges employers to cover all their workers and provides a pool for small-business coverage. And it's set the goal of providing Medicaid to everyone with a poverty-level income.

To make that affordable and practicable, a commission is working on a priority list of medical procedures — how likely each one is to increase a person's mobility, reduce pain, lead to increased longevity. The clear implication is that recipients will get basic, not "presidential," care and be denied ineffective procedures.

Ten years ago, anything smacking of rationing would have been unthinkable. Not today. Colorado's Legislature has been moving toward approval of an Oregon-style bill. It's being pushed by State Representative Mary Taylor-Little, a suburban Republican. Democrats sponsored the Oregon plan. Similar measures have been proposed in Michigan and South Carolina. But Oregon is still waiting on the federal Medicaid waiver it needs to move ahead.

As Gov. Michael Dukakis prepared his presidential bid, Massachusetts approved a plan requiring employers to provide insurance or put money into a state pool for all the uninsured. With "the Duke's" popularity at rock bottom and a massive state deficit, the plan was nearly gutted last year. It's been put off to at least 1993.

Hawaii, on a smoother financial track, has required employers to provide health coverage for their workers since 1974, and last year enacted a state-backed plan to insure everyone else.

Pending in New York state is Health Commissioner David Axelrod's universal coverage plan, aimed to extend health coverage to 2.5 million uninsured residents. To hold down costs, the state would negotiate prices with the insurers.

A Canadian-style, tax-financed, state-administered health program has been proposed in the state of Washington. Early action is unlikely. In Canada, government sets the rates, pays all health providers, insures everyone and spends 8.9 percent of the nation's wealth on health, compared to 1 percent here. The program started in Saskatchewan in 1947 and gradually spread across the country.

Critics say the American medical/insurance establishment would atomize any such proposal here. Federal Medicaid and Medicare rules would complicate any state experiment.

But if the United States had a "single payer" system like Canada's, it could save tens of billions a year just on administrative costs. In supposedly "socialistic" Canada, paperwork takes 1.36 percent of the health cost dollar — and in the "free enterprise" United States, 5. percent.

Indeed, in our arrogance we seem to have built the worst system among the world's "advanced" nations. With the federal government tied in fiscal and political knots on health policy, the states may be our sole arena for any change soon.

Job market

EXECUTIVE DIRECTOR — CHICAGO, ILL.: International Association of Assessing Officers (IAAO), seeks executive director to head organization representing interests of 8,200 members worldwide from governmental, business and academic communities. IAAO is a nonprofit educational membership organization dedicated to improving the administration of the property tax and improving the understanding of property tax issues. Strong administrative/management skills and membership services experience required. Understanding of issues in property assessment and tax administration desirable. Salary $80,000 - $110,000; negotiable, depending upon experience and qualifications. $3+ million budget. 33 employees. Bachelor's Degree highly desirable (graduate degree a plus). Apply in confidence to: The PAR Group - Paul A. Reaume, Ltd., 100 Waukegan Road - Suite 200, Lake Bluff, Illinois 60044, TEL: 708/324-0005, FAX: 708/234- 8309. IAAO is an equal opportunity employer.

HEALTH OFFICER — FREDERICK COUNTY, MD.: Professional position delivers full public health services to Frederick County, MD ($8.4 million budget; pop. 152,000) and serves as local authority for Maryland Dept. of Environment. Requires physician with MPH Degree and 2 years public health experience at administrative level -or- physician with 5 or more years public health experience. Salary range $62,017 - $79,082. (Will consider non-physician with MPH Degree and 2 years public health experience -or- closely related Master's Degree and extensive public health experience; non-physician salary $59,031.) Deadline to apply: 5/18/90. Apply to Frederick County Personnel Dept., 12 East Church Street, Frederick, MD 21701. For job description and County employment application form, call 301-695-1070. EOE.

COUNTY LIBRARIAN — CONTRA COSTA COUNTY, CALIF.: Contra Costa County, California ($63,132 - $76,740 annually) Tenth largest California County located in San Francisco East Bay Area offers Department Head position responsible for managing a countywide system with 175 employees, including 65 Master of Library Science professionals, which serves a population of 700,000. The library includes a central library and array of 17 branches plus three smaller outlets and a bookmobile, serving communities ranging from rural to urban, with a circulation exceeding 3 million. The budget for FY90 is 10 million, coming primarily from a dedicated share of the property tax. An access catalog is imminent. The library is a member of the Bay Area Library and Information System (BALIS), which provides a full range of cooperative services. The County Librarian reports to the County Administrator and to the Board of Supervisors. Applicants should have a broad background in library work, at least three years of which must have been in an administrative capacity (division head or above) in a public library serving a population of 100,000 or more or as the Director of a Library serving a population of 50,000 or more. Possession of a Master's of Library Science Degree from American Library Association accredited library school is required. Official applications and supplemental questionnaire must be in the Personnel Department no later than June 1, 1990. Apply to: Contra Costa County Personnel Department 651 Pine Street, Martinez, California 94553 Phone (415) 646-4047 EOE.

DIRECTOR OF CORRECTIONS — FORSYTH COUNTY, N.C.: The Forsyth County Sheriff's Department is seeking qualified applicants for the position of Director of Corrections (Major). This is a responsible technical and administrative position encompassing overall responsibility for the County Jail, Court Security Services and Inmate Transportation. The current jail is overcrowded at 300+ inmates/day. Planning is underway for a new 600-bed facility. Position duties will include close coordination with County Administration and Architecht Consultant during planning of new facility; procurement and training of personnel (estimated to exceed 200 at new facility); development, presentation and management of annual budget; monitor and make recommendations regarding contracted Food and Medical Services; develop and approve jail operating policies and procedures. Applicants seeking this position should have a background that demonstrates significant knowledge of corrections standards applicable to local adult detention facilities as well as rudiments of corrections law/constitutional issues regarding inmate rights. Skills in managing people effectively, ability to communicate verbally and in writing with a wide variety of individuals including elected officials, County Management Staff, the media and the general public are desirable qualities. Minimum qualifications include 10 years of progressively responsible experience in corrections at the County or municipal level, including at least three years of management experience, in facility(s) of comparable size or larger than that planned for Forsyth County. A Bachelor's Degree from an accredited college or university is required, however, may be waived provided exceptional experience and qualifications justify. Salary $42,000-$50,000+, negotiable, dependent upon qualifications. Send resume, including references by June 30, 1990 to: Honorable Preston Oldham, Sheriff, Forsyth County, P.O. Box 210 Winston-Salem, NC 27102. The Forsyth County Sheriff's Department is an equal opportunity employer.

ADMINISTRATOR — PHILADELPHIA, PA.: Major component of the Department of Health and Human Services is seeking an experienced Representative for the Philadelphia Field Office. Must be very strong in all areas of management including supervision, planning and budgeting. Must possess significant experience in administering a major human service program (or programs) at the Federal, State or local level of government. Wide experience in oral presentations and strong interpersonal skills are a necessity. Tremendous opportunity for progressive and highly motivated individual. A Federal position at the GM-15 level with excellent salary and benefits package. Candidate must have a minimum of one year's experience at GM-14 level in Federal service or equivalent experience in some other Human Services entity. To obtain a copy of the formal announcement and specific job related selection criteria, call Ka Williamson at (202) 245-2953. The this criteria, and a Standard Form should be submitted to the following address: DPO, Operations Group RM 1035, HHS Cohen Building, 3

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ndependence Avenue, SW, Vashington, D.C. 20201.

DIRECTOR OF PLANNING ND COMMUNITY EVELOPMENT — ACRAMENTO COUNTY, ALIF.: (Population 1 million - over 00,000 are in 870 square miles of nincorporated area) Salary open 0Q. Sacramento County is the cation of the State Capitol and is in the art of the State, surrounded by rich gricultural land and the Sierra othills. It is the principal Medical enter for the areas of California north San Francisco. Position reports to e County Executive. A degree is sirable. At least 3 years of creasingly responsible senior-level perience supervising professional anning managers is required. portant to have knowledge of: the inciples and practices of vernmental planning in urban areas; nds and statistics affecting general/ mmunity planning; principles and chniques of personnel management/ pervision; budgeting/fiscal anagement; and infrastructure ancing. Please send resumes by 5/ /90 to: Norman Roberts & sociates, Inc., Attn: Norm Roberts, s., 12424 Wilshire Blvd., #850, Los geles, CA 90025-1042. AA/EEO.

DIRECTOR OF PUBLIC FETY — MONROE COUNTY, Y.: Monroe County in upstate New rk seeks Director of Public Safety to rsee a major operating department County government. The position olves planning and coordinating al public safety and criminal justice vices, directing several operations, luding Probation, Emergency paredness and the Public Safety me Lab, and chairing the Monroe unty Criminal Justice Council. ndidates must demonstrate strong mmunications skills, managerial lity and knowledge of public safety/ minal justice issues. A background government and law enforcement is ferred. Salary $59,961 - $75,766. ase submit a resume and letter of roduction to: Martha Lappan, nroe County Personnel Dept., 39 W. in Street, Rochester, NY 14614.

LAKE COUNTY, ILL.: Is seeking individuals to fill key management itions for a recently established, ntywide stormwater management gram. DIRECTOR — quirements include an advanced ree in public administration, ineering, planning or water urces plus a minimum of seven s related experience. Experience municipal and county operations sential as well as the ability to work a highly visible public setting. kground in project management, rgovernmental relations, capital rovements, financing and latory programs highly desirable. ry range: $42,837 to $62,568 ending on qualifications. GINEER — Requirements include gree in civil or water resources neering and a minimum of five s experience with stormwater and dplain management, computer eling, watershed planning and al improvements planning. The ram engineer will report to the ector and serve as the chief engineer supervising other engineers and consultants. Salary range: $36,376 to $51,096 depending on qualifications. Send resumes by May 15, 1990 to: the Department of Human Resources/ Personnel Section, County Administration Building, 18 N. County St., Waukegan, Illinois 60085. For more information contact: (708) 360-6490.

COUNTY ADMINISTRATOR — COLBERT COUNTY, ALA.: Is seeking applicants for the position of county administrator. Qualifications for the position include one of the following: A Master's degree in public administration, business administration, personnel management, or urban planning from an accredited university; a Bachelor's Degree in one of the above named fields of study and five years of government-related experience. Salary range of $30,000 to $48,000. Resumes will be accepted until 5/10/90 by Colbert County Commission, 201 N. Main St.; Tuscumbia, AL. 35674. Colbert County is an Equal Opportunity Employer.

HIGHWAY CONSTRUCTION — LAKE COUNTY, ILL.: The Lake County Division of Transportation, seeks an experienced Civil Engineer for Highway Construction Projects. Requires a B.S. in Civil Engineering, State of Illinois Professional Engineering License or ability to become registered, five to ten years progressive experience in Highway Construction projects. Salary $32,697 to $51,093 dependent upon qualifications with excellent benefit package; submit resume to: Lake County Department of Human Resources, 18 N. County Street, Waukegan, Illinois 60085.

RISK MANAGER — BREVARD COUNTY, FLA.: (The Space Coast) seeks a Risk Manager to direct the County's self-insured and fully-insured programs, including a $10 million self-insured comprehensive health insurance program for 3,000+ participants. As well as general liability, auto, property, life insurance and worker compensation programs. Requires a Master's Degree in business/public administration or a closely related field plus at least three years of progressively responsible risk management experience for a comparably size operation. May substitute experience for education. Salary Range up to $48,192, dependent upon qualifications. Submit resumes to the Office of Human Resources, 2575 N. Courtenay Parkway, Merritt Island, FL 32953.

JAIL ADMINISTRATOR — FORSYTH COUNTY, N.C.: The Forsyth County, Sheriff's Department is seeking applicants for the position of Jail Administrator (Captain). Current facility is overcrowded at 300+ inmates/day. Planning for new 600-bed facility is underway. Position requirements to include responsibility for: day-to-day operation and security of the jail facility; understanding and application of national standards for local adult detention facilities with particular emphasis on Intake and Release procedures. Classification, Inmate Supervision and Physical Plant Security; implementation and maintenance of policies and procedures; scheduling, assignment and management of subordinate staff. Position will require understanding of the criminal justice process at the local level and communications skills in working with administrative and supervisory staff of the Sheriff's Department local police, courts, District Attorney and the County. Desirable qualifications include six years experience in Corrections including at least two years in a supervisory capacity; a Bachelor's Degree is preferred but may be offset with experience and demonstrated ability beyond minimum requirements. Salary $30,000 - $40,000+, negotiable, dependent on qualifications. Send resume, including references by June 30, 1990 to: Honorable Preston Oldham, Sheriff, Forsyth County, P.O. Box 2100, Winston-Salem, NC 27102. The Forsyth County Sheriff's Department is an equal opportunity employer.

HYDRAULIC AND SANITARY JUNIOR ENGINEER — POLK COUNTY, FLA.: Entry level engineering work assisting with county utilities projects. ENG. I - BS/BA in hydraulic/sanitary engineering, $26,166 - $30,222. ENG. II - MA in hydraulic/sanitary engineering or BS/BA plus one year work experience in this field, $27,747 - $32,052. Contact: Sharon Mathis, Polk County Board of County Commissioners, P.O. Box 330, Bartow, FL 3 830, (813) 534-6030 or 534-6584. EOE M/F/H/V.

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now available. Some of the areas written on include community and economic development, business development, employment and training, program finance and management, and real estate finance and projects.

For a complete list and ordering information, contact the National Council for Urban Economic Development, Publications Department, 1730 K St., NW, Suite 915, Washington, D.C. 20006, 202/ 223-4735, FAX: 202/223-4745.

■ A research report on post-employment benefits other than pensions has been published by the **Governmental Accounting Standards Board**. *"Other Post-Employment Benefits in State and Local Governmental Units"* determines the nature and extent of those benefits provided by governmental employers, the legal or contractual authority for the benefits, and the accounting and funding practices currently being used.

Copies are available for $10 each, prepaid. For copies, contact Governmental Accounting Standards Board, Order Department, 401 Merritt 7, P.O. Box 5116, Norwalk, CT 06856-5116, 203/847-0700.

■ *"Guide to Local Government Employee Incentives"* is a new publication by **Innovation Groups, Inc.**

The guide provides information on various incentive programs, such as gainsharing, recognition awards and performance incentive pay. It also presents model local government programs to help the reader decide what type of program is best for their organization.

Regularly $39.95, the introductory price is $29.95, plus postage. To order, contact Innovation Groups, Inc., P.O. Box 16645, Tampa, FL 33687, 813/ 622-8484, FAX: 813/664-0051.

■ A new guide to the constitutional principles critical to the day-to-day practice of land use planning has been published by the **American Planning Association.** *"Land Use and the Constitution"* grew out of a 1987 symposium of two dozen leading practitioners and scholars in the fields of planning and law.

For price and ordering information, contact Donna Gamino, American Planning Association, 1313 E. 60th St., Chicago, IL 60637, 312/955-9100.

MISCELLANEOUS

■ Several funding opportunities are available from various federal agencies for homeless programs. For more information on funding amounts, eligibility and types of assistance, contact the Interagency Council on the Homeless, 451 7th St., S.W., Suite 10158, Washington, D.C. 20410-0000, 202/755-1480.

■ The *1990 Exemplary State and Local Awards Program* is underway. Outstanding programs that have produced significant cost savings, increases in productivity, and improvements in the quality and effectiveness of state and local government services are being sought for nomination. This awards program, in its second year, is sponsored by the **National Center for Public Productivity** and the **William C. Norris Institute**, in cooperation with **Local Government Information Network**.

Program applications will be available after May 1. Submissions must be postmarked by Sept. 1. Requests for applications should be directed to LOGIN Services, 245 E. Sixth St., St. Paul, MN 55105, 800/ 328-1921.

■ *"Public Productivity and Management Review"* is seeking written submissions by academics and practitioners on topics related to the improved delivery of public sector services. Articles, commentaries, proposals for topical symposia, lessons from the field (case studies, surveys, etc.), training and education analyses, and book and resource reviews are all being accepted.

For more information, contact Marc Holzer, Graduate Department of Public Administration, Rutgers University, 7th Floor, Hill Hall, 360 King Blvd., Newark, NJ 07102.