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Vol. 11, No. 17

# COUNTY NEWS

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

April 30, 1979

**NACo**

Washington, D.C.

## Senate Votes Hard Budget Choices

The Senate closely followed the recommendations of its Budget Committee last week in setting spending targets for fiscal '80 and beyond and revising budgetary figures for this year.

This means that programs important to counties such as CETA, countercyclical aid for hard-pressed communities, urban development, assisted housing, rural housing and the Law Enforcement Assistance Administration will experience budgetary cutbacks beyond what the President recommended in his 1980 budget. Sen. Edward Kennedy (D-Mass.) proposed an amendment to increase total budget authority for LEAA from \$446 million to the \$546

million requested by the Administration. The \$446 million represents about half of what was actually appropriated for LEAA in 1975 without taking inflation into consideration. This amendment was defeated 38-46.

One of only two programs to have funds added by the full Senate was Title III of the Older Americans Act which supports senior centers, social services and hot meal programs. On an amendment by Sen. Howard Metzenbaum (D-Ohio), an additional \$100 million was provided.

On an amendment by Sen. Warren Magnuson (D-Wash.) the food stamp program was singled out for increases in fiscal '79 budget authority

(\$500 million) and outlays (\$600 million). The amendment passed 54-30.

County efforts helped to stave off an amendment by Sen. Harry Byrd (Ind.-Va.) to cut out all funding for CETA Title VI in fiscal '80. The vote on the amendment was 63-29. This was the same amendment that had lost in the Senate Budget Committee by a vote of 9-8.

Also defeated was an amendment to provide a balanced budget for fiscal '80 and one by Sen. George McGovern (D-S.D.) to reduce budget authority for national defense in order to provide increased funds for nutrition programs for the elderly and education programs for the handicapped.

Action on the budget resolution shifts to the House this week with county interest centering on an amendment to restore funds for general revenue sharing which will be offered by Rep. John W. Wylder (R-N.Y.).

His amendment would restore the \$2.285 billion earmarked for the states for fiscal '80 which was cut by the House Budget Committee.

A significant defeat of the Wylder amendment will give impetus to those members of Congress who want to delete the states from general revenue sharing and cut by one-third

### General Revenue Sharing Alert

Call your congressmen to voice support for the amendment which will be offered on the House floor by Rep. John Wylder (R-N.Y.) and ranking Democrats to restore the \$2.285 billion cut in the general revenue sharing program.

the amount of money available for that program.

The Senate version of the first concurrent resolution on the budget, S. Con. Res. 22, provides for a balanced budget for fiscal '81 and beyond and provides for total tax cuts of \$55 billion in fiscal '82, \$75 billion in fiscal '83 and \$100 billion in fiscal '84. The spending levels represented by the Senate version are lower than those of either the President or the House Budget Committee.

## NACo Seeks Renewal for Important EDA Programs



Barrett

Calling the grant and loan programs of the Economic Development Administration "the lifeblood of many distressed counties and other communities," Mahoning County (Ohio) Commissioner Thomas J. Barrett last week urged speedy congressional action on legislation to reauthorize them. Current authorization expires Sept. 30.

Barrett appeared before the Senate subcommittee on community and regional development to present NACo's views on the Administration's proposed National Public Works and Economic Development Act of 1979. The legislation would consolidate into a single, flexible grant program the existing economic development grant programs administered separately under Titles I, IV and IX of the Public Works and Economic Development Act of 1965.

The new grant program would provide assistance to eligible communities suffering long-term economic decline as well as incipient economic adjustment problems.

Barrett expressed NACo's support for the new consolidated grant program together with its six-year authorization at a fiscal '80 level roughly equivalent to the \$560 million made available for grants this fiscal year.

He also expressed NACo's support for an expanded business development loan and loan

See EDA, page 8

## Rural Areas to Benefit from Bill

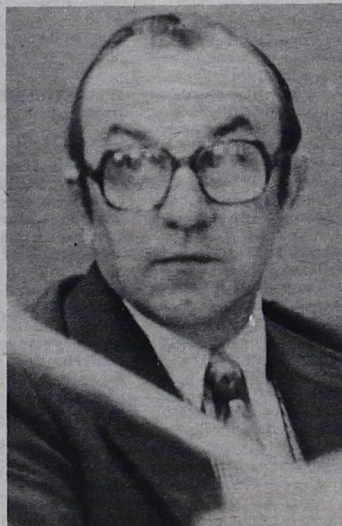
Blue Earth County (Minn.) Commissioner Lester Anderson brought the concerns of rural county officials to the attention of a House agricultural subcommittee last week. Specifically, he endorsed the Rural Development Policy Act of 1979, H.R. 3580, saying that the bill "would significantly aid the nation's rural communities and strengthen the federal role in rural development."

Section 607 of the bill would establish a secretary's working group for rural development "to ensure that all federal efforts are coordinated under the umbrella of the Secretary of Agriculture."

Under Section 609, annual authorization for the rural planning grant program, known as Section 111, would double, from \$10 million to \$20 million. Traditionally the program has been unable to fill the large number of requests for assistance from rural counties.

In supporting the increased authorization for rural planning grants, Anderson noted the difficulties ahead in securing funding and emphasized the importance of communicating

See RURAL, page 3



Anderson



Erdreich

## Less Money, Less Housing

In testimony before the Senate subcommittee on housing last week, Jefferson County (Ala.) Commissioner Ben L. Erdreich expressed NACo's concern over cuts in the level of funding for federally subsidized housing programs recently voted by the Senate Budget Committee.

Erdreich was called to testify on the Housing and Community Development Amendments of 1979 which would provide authorization for such programs as the Section 8 conventional public housing program for fiscal '80.

"The Congress should not be attempting to balance the federal budget on the backs of poor people—those least able to pay, and those who often need government's help the most," he said.

"Counties and other local governments desperately need a predictable and sustained level of assisted housing units from year to year. This has been generally true since 1977," Erdreich added.

See SUSTAINED, page 8

## Carter Will Highlight Iowa County Meeting

President Carter has accepted an invitation by the Iowa State Association of Counties (ISAC) to address its annual conference in Des Moines. Nearly 700 officials are expected.

The President will talk about his new energy plans and small town and rural development on the morning of May 4, the third and final day of the conference.

After the speech, a regional news briefing is planned with a select group of Iowa and midwest officials. Those attending will have the opportunity to question the President about local and national issues.

Donald Cleveland, ISAC executive direc-

tor, voiced his enthusiasm about the conference. "It is a real honor for Iowans and for Iowa counties to have the President participate in our annual meeting," he said.

Delegates will have the opportunity to learn more about current state legislation and will participate in workshops dealing with mental health care and unemployment compensation.

According to Cleveland, a significant amount of time will be spent on the recently passed home rule for counties in the state. Officials will be briefed on home rule guidelines and procedures for implementing local ordinances.



# Labor Relations Update

## Key Issues Pending Before Congress, Federal Agencies

This report was prepared for NACO's Fifth Annual Labor Relations Conference, April 29-May 1 in San Francisco. Staff contact: Chuck Loveless

### National Collective Bargaining

#### Background:

Legislation has been introduced during the past several Congresses, principally by Rep. Frank Thompson (D-N.J.), chairman of the House Labor subcommittee on labor/management relations, to extend provisions of the National Labor Relations Act to state and local government employees. Many legal commentators believe that the Supreme Court's decision in *National League of Cities v. Usery* would serve as a constitutional bar to the enactment of such legislation.

#### NACO Position:

NACO is opposed to national legislation requiring that state and local governments bargain collectively. The issue is one which should be decided solely by each state legislature based upon local conditions and circumstances.

#### Prospects:

Rep. Thompson has again introduced legislation (H.R. 777) extending the provisions of federal labor relations acts to public employers and employees. The House labor/management relations subcommittee is expected to hold hearings. NACO will testify in opposition.

### Real Wage Insurance

#### Background:

The idea of a real wage insurance program, as a component of President Carter's anti-inflation package, is to compensate employees whose employer has held their average wage increases to 7 percent.

#### NACO Position:

NACO has adopted a position supporting, in general terms, the Administration's anti-inflation program. However, it has not adopted a specific position on the wage insurance legislation.

#### Prospects:

Earlier this month, the House Budget Committee voted down funding for the real wage insurance program. Budget Committee Chairman Robert Giallardo (D-Conn.) said that the committee's vote "kills all chances" for the legislation.

### Mine Safety and Health Act and Regulations

#### Background:

The Federal Mine Safety and Health Amendments Act of 1977 merged all federal mine safety activities into the new Mine Safety and Health Administration (MSHA) under the Department of Labor (DOL). MSHA has issued certain training regulations that, among other things, require mine operators to submit a training plan for all surface mining operations, and set forth five required types of training: new miner training, newly employed experienced miner training, task training, annual refresher training and hazard training.

DOL—MSHA has interpreted the act and training regulations to apply to all sand, gravel, clay and stone operations, including those run by counties. Generally, county highway departments extract sand, gravel, clay and stone mainly for road maintenance and construction. County officials maintain that compliance with the MSHA regulations will involve considerable expense for counties and will impose a major new administrative and record keeping burden.

#### NACO Position:

During the 1979 Annual Legislative Conference, NACO's Board of Directors adopted a resolution opposing application of the act and training regulations to counties and other local and state governments. NACO supports legislation exempting local and state governments from the federal mine safety and health statute: first, because there is a major constitutional question under *National League of Cities v. Usery* as to whether DOL—MSHA may assert jurisdiction over county road building operations; and second, because the training regulations impose a major administrative and record keeping burden on counties.

#### Prospects/Action Required:

On Jan. 18, Reps. Ron Marlenee (R-Mont.) and Doug Barnard (D-Ga.) introduced H. Con. Res. 22 which provides that surface mining operations with 35 or fewer employees be exempt from the final MSHA regulations. On Jan. 29, H.R. 1603 was introduced by the same House members

which would amend the act by adding a single sentence to the definition of a mine: "(s)uch term shall not include any stone mine or any sand and gravel mine." The effect of this sentence would be to remove from MSHA jurisdiction the sand, gravel and stone industries (including counties which are involved in such operations). Last month, Sens. Malcolm Wallop (R-Wyo.) and Dale Bumpers (D-Ark.) introduced identical legislation (S. 625) in the Senate.

The House legislation has been referred to Education and Labor Committee's health and safety subcommittee chaired by Rep. Joseph Gaydos (D-Pa.). The Senate Labor and Human Resources Committee, chaired by Sen. Harrison Williams (D-N.J.), has tentatively scheduled oversight hearings during early May on application of the MSHA standards and regulations to sand, gravel and stone concerns. NACO plans to testify.

### Repeal/Reform of the Davis-Bacon Act

#### Background:

The Davis-Bacon Act was passed in 1931, in the depths of the depression, primarily to prevent the federal government from undercutting local area labor standards in the process of letting contracts for federal construction work.

Initially the act applied only to direct federal construction procurement, but over the years it has been extended for most federally financed and assisted construction as well. Basically, the act requires contractors to pay employees "prevailing" wages that have been determined by the U.S. Department of Labor to be prevailing in the local area for each craft engaged on like projects. These prevailing rates are made known to all contractors in advance of any bidding. Forty-one states also have "little Davis-Bacon acts."

The manner in which "prevailing wages" are determined has become the focal point for controversy in recent years. Critics of the act charge that the Department of Labor resorts to questionable methods in determining "prevailing wages" which are generally higher than those in normal use in the community in which the public contract is to be performed.

Supporters of the act which include various labor groups and the Secretary of Labor argue that repeal of the act would provide no hope of significantly reducing inflationary pressures. They argue that construction wages have been lagging behind all industry wage figures during the past seven years and that many of the conditions which led to enactment of the act still exist.

#### NACO Position:

NACO does not have a position on legislative proposals to reform or repeal the Davis-Bacon Act. However, at its April 29 meeting, NACO's Labor/Management Relations Steering Committee will consider adopting a position on the issue.

#### Prospects/Action Required:

Legislation has been introduced in both Houses to repeal the Davis-Bacon Act. The House measures (H.R. 49 and H.R. 53) are sponsored by Reps. John N. Erlenborn (R-Ill.) and Tom Hagedorn (R-Minn.). The Senate legislation (S. 29) is sponsored principally by Sens. Orrin G. Hatch (R-Utah) and John Tower (R-Texas). So far, no hearings have been held.

### Pregnancy Discrimination Regulations

#### Background:

The U.S. Equal Employment Opportunity Commission (EEOC) issued interim pregnancy discrimination guidelines requiring employers, including county governments, who provide comprehensive hospital and medical coverage to the spouses of employees to include pregnancy-related medical expenses in the benefit package. The guidelines which were published in the March 9 *Federal Register* are intended to interpret the Pregnancy Discrimination Act which was enacted by Congress last year as an amendment to Title VII of the 1964 Civil Rights Act. Employers who do not provide comprehensive disability coverage for spouses are not required to institute such coverage.

#### NACO Position:

NACO believes that the EEOC guidelines which mandate benefits for spouses of employees are contrary to the intent of Congress when it enacted the Pregnancy Discrimination Act. The act is directed to a carefully drawn class of female employees and women in the labor market; it notably does not address the issue of benefit coverage for spouses of employees. NACO is concerned that not only will the guidelines place a major additional burden on financially hard-pressed counties which have attempted to upgrade their employee benefit programs, but it ultimately may have the undesirable effect of encouraging many employers to reduce the quality of their benefit programs.

#### Prospects/Action Required:

NACO filed comments this month with the EEOC urging a reexamination of its position.

### Universal Social Security Coverage

#### Background:

A HEW study group has held hearings this year around the country on the feasibility and desirability of mandating universal Social Security coverage which would include states and local governments not currently in the system. Authorized by the Social Security Amendments of 1977, the study group is examining all aspects of retirement plans and nonprofit organizations that are not covered by Social Security.

Current HEW estimates indicate that approximately 70 percent of all state and local government workers contribute to Social Security. The great majority of government employees who are not participating in the program are covered by their own staff retirement plans.

#### NACO Position:

NACO supports the optional inclusion of the public sector workforce in the Social Security system and opposes efforts to bar or inhibit the voluntary withdrawal of local and state governments from the program. NACO believes that mandatory coverage of local and state government employment is constitutionally impermissible and would significantly increase pension costs for many county employers and employees.

#### Prospects/Action:

On April 12, NACO testified before HEW's study group in opposition to mandatory Social Security coverage for local and state government employment. The study group is expected to issue its final report later this year which is expected to serve as the basis of legislation that may be introduced later in this Congress.

### Frequency of Social Security Deposit Payments by State and Local Governments

#### Background:

Regulations, which go into effect July 1, 1980, require state and local governments to deposit their Social Security payments within 15 days after the end of the first month of the quarter, within 15 days after the end of the second month of the quarter, and within 45 days after the end of the last month of the quarter. This means state and local governments would turn over their Social Security contributions 12 times a year instead of following the present quarterly deposit schedule. These regulations, issued by the Department of Health, Education and Welfare (HEW), appeared in the Nov. 20, 1978 *Federal Register*.

#### NACO Policy:

NACO policy strongly supports retention of the current quarterly deposit system on the grounds that the HEW regulations would result in a substantial income loss to county governments and a significant increase in administrative costs to state and local governments.

#### Prospects/Action Required:

Rep. Robert A. Roe (D-N.J.) has again introduced legislation (H.R. 1115) which would retain the current quarterly deposit schedule. On Jan. 29, the Senate Finance subcommittee on Social Security, chaired by Sen. Gaylord Nelson (D-Wis.) held hearings on the HEW regulations. NACO, together with the other major groups representing local and state governments, testified at the hearing in opposition to the regulations. NACO staff is working closely with the subcommittee to modify the HEW regulations.

### PERISA

#### Background:

In the last Congress, Reps. John Dent (D-Pa.) and John Erlenborn (R-Ill.) introduced the Public Employee Retirement Income Security Act, known as PERISA. The legislation proposed federal standards for state and local government pension plans in the areas of reporting and disclosure, fiduciary responsibility and plan administration.

#### NACO Position:

NACO supports full disclosure and reasonable reporting of information regarding public pension plans, strong fiduciary standards, prudent investment practices and sound funding and equitable vesting requirements. However, NACO opposes federal regulation of state and local government pension systems and strongly opposes the PERISA legislation.

#### Prospects:

PERISA is expected to be reintroduced in the 96th Congress. While there appears to be strong support in the House Education and Labor Committee for such legislation, PERISA's overall legislative prospects are uncertain.



## Hospital Cost Bill Clears a Hurdle

President Carter's hospital cost containment legislation has been approved by the House Ways and Means health subcommittee and will now go to the full committee for what some Hill observers see as a close vote.

The bill is aimed at reducing inflation by limiting the rate of increase in hospital care costs to 9.7 percent annually. If hospitals voluntarily meet this inflation figure no mandatory controls would go into effect.

In a major move, the subcommittee approved a provision of the bill that would prohibit any change in hospital admission practices aimed at keeping out charity patients or those with costly illnesses. Local hospital officials feared that the cost containment legislation would encourage "dumping" of high cost

patients onto public institutions in an effort to keep other hospital rates within federal guidelines.

If hospital costs exceed the proposed guidelines, the mandatory controls would affect only 43 percent of the nation's hospitals. Those exempt from the controls include: hospitals in a state in which total hospital costs increased 9.7 percent or less; hospitals in states which have their own cost containment system that meets certain federal requirements; federal hospitals; small nonmetropolitan hospitals; and hospitals less than three years old. The subcommittee also exempted children's hospitals and clinics which specialize in treating certain diseases such as cancer.

The Administration hopes to save nearly \$3.7 billion in fiscal '80 with the bill's passage.



**OMBUDSMAN PROGRAM**—Jackson County, Mo. has established an innovative Office of Human Relations and Citizen Complaints, headed by Larry Guillot (inset). Above, a hearing is held on wife and child support.

## Jackson's Ombudsman

### Smoother Path to Complaints, Troubleshooting

JACKSON COUNTY, Mo.—Complaints for local officials are often anonymous with headaches, wasted time and misused personnel. Jackson County operates from a different perspective.

This year's host to NACo's annual convention has made a specialty out of resolving complaints.

Jackson County, with a population of 640,000, has established a permanent "ombudsman" office as part of a home rule charter which went into effect in 1973. Since that time the Office of Human Relations and Citizen Complaints (its official title) has handled about 17,000 citizen problems and carried out investigations on more than 4,000.

#### WHAT IT MEANS

This specialist approach to complaints and trouble-shooting administrative problems is really an experiment in political science. There are fewer than 25 such ombudsman offices in the United States and less than 100 throughout the world that are established by law and are independent of direct control by the administrative executive.

Three other U.S. counties which have created ombudsmen are: King County, Wash. (where the ombudsman was established by home rule charter in 1968 and is a joint office with the City of Seattle); Montgomery County, Ohio (where a joint office of county, city and school agencies was incorporated in 1972) and Fayette County, Ky. (where a city-county office was adopted by an urban county charter in 1972).

"That a county should create an office with a lot of independence is

not so unusual," notes Archie McGee, chairman of Jackson County's 15-member legislature.

"Think of age-old independent county institutions like the sheriff and the prosecutor, or more recent ones like the medical examiner, public administrator or court administrator. Jackson County has all of these."

What differentiates the ombudsman from these other offices is that the ombudsman is not elected by voters nor directly appointed by the executive. In Jackson County the ombudsman is hired and can be removed by an eight-member citizen commission.

Pat Hardy, commission chairperson, explains that two commissioners are appointed each year by the county executive and serve staggered four year terms. Legislators suggest names to the executive; once they are appointed, the commissioners' terms are irrevocable.

This arrangement gives the ombudsman some insulation from both executive and legislature. It also increases the office's credibility with the citizen. At the same time, the legislature has a check on the ombudsman through the annual appropriation.

#### OFFICE KEPT SMALL

Larry Guillot has been the county's ombudsman since the office started. He is committed to keeping the office small and effective. His staff consists of two complaint officers and two secretaries; the budget of \$92,000 is two-tenths of 1 percent of the county's operating budget of over \$43.5 million.

In addition to handling over 3,500 inquiries and about 600 complaint cases last year, the ombudsman conducted a half dozen extensive investigations, followed up with detailed reports and recommendations. Re-

ports were made about child support enforcement and the county's new parent locator law, an imbrolio in the August primary election, the county's contract compliance program, discriminatory public accommodations practices by several discotheques, and problems concerning the county's personnel policies and practices. All together, the reports contained over 100 recommendations to the legislature, executive and individual agencies. Over 90 percent were accepted and most have been implemented.

#### HOW IT WORKS

The ombudsman's policy is to treat complaints confidentially, working quietly with an individual department during an investigation. Each month the ombudsman circulates to the legislature, the executive and county department heads a list of complaint cases closed the previous month. The nature of the complaint is given in a few words.

Cases are identified by number rather than by the complainant's name. It is noted which agency the complaint was against and, in the ombudsman's judgment, whether the complaint was justified or not and to what degree the problem was resolved. The office sends an addressed, stamped postcard, in concluding each case, to the complainant for the complainant's evaluation and comment.

It became clear that one continuing problem was "bad referrals" and "inaccurate information" being given to citizens about county services. The ombudsman office stepped in and produced a 200-page Service Directory. The directory lists over 150 county services, giving information on each about the provider, location and accessibility of the services, hours, eligibility, costs and instructions for citizens who need the service.

## Revenue Sharing Payment Sent

The Office of Revenue Sharing has announced it has mailed the second payment of four general revenue sharing payments for entitlement period 10 along with data for your government on population, adjusted taxes, per capita income and intergovernmental transfers for use in entitlement period 11 (Oct. 1, 1979-Sept. 30, 1980).

The office is encouraging local officials to review this data and bring

apparent discrepancies to its attention with supporting documentation by May 15. This will ensure that corrected data can be used in the initial allocation of revenue sharing funds for entitlement period 11.

Questions about the revenue sharing data should be directed to Matthew Butler, Manager, Data and Demography Division, Office of Revenue Sharing, 2401 E Street, N.W., Washington, D.C., 20263-4166.

#### TECHNICAL ASSISTANCE

## DOE Energy Regs

The Department of Energy (DOE) has published final regulations for technical assistance and energy conservation grant programs for schools, hospitals, and buildings owned by units of local government and public care institutions.

The regulations, which became effective when they were published in the April 17 *Federal Register*, placed increased emphasis on solar energy and renewable resources.

States have until Aug. 15 to apply for grants totalling \$180 million for schools and hospitals and \$17.5 million for units of local government and public care institutions. An eligible institution must submit its application to the state energy office which will evaluate and rank the application before submitting it along with the state energy plan to DOE. Technical assistance will be available for schools, hospitals, and buildings owned by units of local government and public care institutions; however, only schools and hospitals will receive grants for energy conservation measures.

Preference in awarding grants will be given to buildings for which an energy audit was completed without the use of federal funds.

If you would like to receive a copy of the final regulations or if you have any questions regarding the regulations, contact Sarah Brooks at the NACo Energy Project, 1735 New York Ave., N.W., Washington, D.C. 20006.

## Rural Needs Listed

Continued from page 1

This need to the House and Senate Appropriations Committees. The rural planning grant program has been funded at \$5 million each year for fiscal '79 and fiscal '80.

Hearings on H.R. 3580 were conducted by the House Agriculture subcommittee on family farms, rural development and special studies. Rep. Richard Nolan (D-Minn.) is the subcommittee chairman and co-sponsor of the bill along with Rep. Charles Grassley (R-Iowa). Nolan expanded the scope of the hearings to include the broad category of national rural policy.

Anderson praised the Administration's efforts in developing a "White House rural initiative." "The continuing input of county officials has given rural counties an important opportunity to be heard," he said. NACo positions on the following other areas were also stressed to the committee.

- The need to fund the new rural home ownership assistance program, administered by Farmers Home Administration (FmHA).
- The need to provide sufficient resources to FmHA to overcome severe staffing shortages.
- Importance of closely following impact on rural communities of recent deregulation efforts in the airline, railroad, trucking, and bus industries.
- The need to recognize the burden imposed on rural counties of com-

plying with the same application requirements as urban areas.

- The need to preserve and protect America's prime agricultural farmland.

## HUD Can Help Improve Local Fiscal Systems

The Department of Housing and Urban Development will award five grants of \$40,000 each to aid local government in expanding their financial management capacity.

Applications will be due six weeks after the request for applications is issued, which is expected this week.

Eligible organizations include state agencies, university-based organizations, statewide membership organizations such as leagues of cities and professional organizations, substate organizations such as councils of governments (or a local government which serves as the lead for a consortium of local governments), and multi-state organizations.

To receive a copy of the request for grant application, send a postcard to or call the Department of Housing and Urban Development, Office of Procurement and Contracts, Room B-133 (711 Building) (ACG-6) 451 Seventh Street, S.W., Washington, D.C. 20410, 202/724-1093.

COUNTY NEWS  
(USPS 704-620)

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FILTER PHOTOGRAPHER: Paul Serber

CIRCULATION COORDINATOR: G. Marie Reid  
Published weekly except during Christmas week  
of the year following the annual conference by:

National Association of Counties  
1735 New York Ave., N.W.  
Washington, D.C. 20006  
202/785-9577

Entered as second class mailing at Washington, D.C. and additional offices. Mail subscription is \$4 per year for nonmembers, \$30 for nonmembers purchasing 10 or more subscriptions. Member county surplus subscriptions are \$20, member counties purchasing 10 or more surplus subscriptions \$15. Send payment with order to the address. While utmost care is used, County News cannot be responsible for unsolicited manuscripts.



# National Association of Counties

## 44th Annual Conference and Educational Exhibits

### IMPROVING PUBLIC MANAGEMENT

Inflationary times are hard times for local officials. County administrators and governing boards confronted with the realities of limited purchasing power are faced with the tough choices of raising more revenues through increased taxes or cutting back programs and services in order to keep their budgets in balance. NACo, through its annual conference, will offer county officials a third alternative for coping with the impacts of inflation — improved public management. General conference sessions with key members of Congress and the Administration as well as numerous workshop sessions will address the conference theme by stressing practical ways governments can maximize what they have on hand.

Don't miss this chance to participate in real "nuts and bolts" discussions on ways to improve productivity in areas such as transportation, environment and energy, employment, welfare and social services, community development, health and many others.

## July 15-18, 1979 Jackson County, Kansas City, Mo.

**Registration and Housing Information** (Please read carefully before completing forms and returning to registration center.)

—Your conference registration fee must accompany this registration form by check, voucher, or equivalent and be made payable to National Association of Counties. **Return completed form with payment postmarked no later than June 15, 1979 to the following address:**

NACo Conference Registration Center  
1735 New York Avenue, NW  
Washington, DC 20006

Attn: Annual Conference Coordinator

—Refund of conference registration fee will be made if cancellation is necessary provided written notice is postmarked no later than July 1, 1979.

—Delegates must register for the conference in order to receive hotel accommodations in NACo's block of rooms and receive the conference rate. **Special conference room rates will be available to all delegates whose registration is postmarked no later than June 15, 1979.** In order to ensure receipt of confirmation from the hotel, send your registration early.

#### List preferred accommodations:

1st Selection: \_\_\_\_\_

2nd Selection: \_\_\_\_\_

3rd Selection: \_\_\_\_\_

Hotel	Single	Double/Twin	Suite
Alameda Plaza	\$45 - \$55	\$55 - \$65	\$75 & up
Continental	\$24 - \$32	\$32 - \$39	\$59 & up
Crown Center	\$43 - \$53	\$54 - \$64	\$100 & up
Dixon Inn	\$18 - \$24	\$24 - \$30	\$67 & up
Executive Inn	\$23	\$28	N/A
Granada Royale	N/A	N/A	\$56 & up
Hilton Plaza	\$39 - \$47	\$49 - \$57	\$78 & up
Holiday Inn	\$34	\$44	\$90 & up
President	\$22 - \$26	\$26 - \$30	\$36 (Jr. Suites)
Radisson Muehlbach	\$32 - \$42	\$42 - \$52	\$90 & up
Ramada Inn	\$28 - \$34	\$34 - \$40	\$70 & up
Raphael	\$42 - \$54	\$52 - \$64	\$45 & up
Sheraton	\$33	\$37	\$66 & up
Travelodge	\$25	\$29	N/A

Suite information available from NACo Conference Registration Center.

Room deposits will be required to reserve a room by county voucher, credit card or by sending one night's deposit to the address above. **For further housing or registration information, call NACo Conference Registration Center, 703/471-6180.** No registration or housing request will be taken by phone.

#### For Office Use Only

Check #: \_\_\_\_\_

Check Amount: \_\_\_\_\_

Voucher #: \_\_\_\_\_

Date Received: \_\_\_\_\_

Date Postmarked: \_\_\_\_\_

Please type or print clearly all applicable information requested below as you want it to appear on your badge. Be sure to fill out the form completely.

County/Representing: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Delegate's Name: \_\_\_\_\_ (Last) \_\_\_\_\_ (First) \_\_\_\_\_ (Initial)

Title: \_\_\_\_\_

If you wish to register your spouse or youth, complete this section.

Spouse's Name: \_\_\_\_\_

Youth's Name: \_\_\_\_\_ Sex: ☐ M ☐ F Age: \_\_\_\_\_

Youth's Name: \_\_\_\_\_ Sex: ☐ M ☐ F Age: \_\_\_\_\_

Check appropriate box below and fill in the applicable amount:

My county is a member. . . . Registration fee \$95.00 \$ \_\_\_\_\_

Non member/others. . . . Registration fee \$125.00 \$ \_\_\_\_\_

Please register my spouse. . . . Registration fee \$50.00 \$ \_\_\_\_\_

Please register my youth(s). . . . Registration fee \$30.00 \$ \_\_\_\_\_

☐ Check enclosed ☐ Please bill my county/representing ☐ This is my first NACo Annual Conference

Total Amount \$ \_\_\_\_\_

#### HOTEL ROOM RESERVATION

Arrival Time/Day: \_\_\_\_\_ Departure Time/Day: \_\_\_\_\_

Room Occupant: \_\_\_\_\_

Sharing With: \_\_\_\_\_

Special Housing Request: \_\_\_\_\_

Housing Disability Needs: \_\_\_\_\_

Credit Card Name: \_\_\_\_\_ Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Authorized User's Signature: \_\_\_\_\_



# How Many Summer Jobs?

## NACo Analysis Disputes Administration Figures

While the Administration has promised to create jobs for one million poor teenagers this summer through its Summer Youth Employment Program (SYEP), a closer look at the program's budget shows the number of jobs could be overestimated by as much as 25 percent. A NACo analysis reveals that the Office of Management and Budget (OMB) and the Department of Labor (DOL) have underestimated the costs for fringe benefits and program administration. The budget also does not take into account training and service costs. Reasons why the number of jobs for youths will be much lower than the Administration's one million figure are:

Based on available national statistics from last summer, prime sponsors spent 32 percent of their allocations, exclusive of participants' wages, to run the 1978 program. (See chart A.)

### 1978 National DOL Figures and What They Mean in 10 Hard Steps\*

(Chart A)

Average cost per man year: \$7,276.  
 $\$7,276 \div 52 \text{ weeks} \div 40 \text{ hours} \times 28 \text{ hours} \times 10 \text{ weeks} =$   
 $\$179.46$   
 $\$179.46 \times 28 \text{ hours} \times 10 \text{ weeks} = \$742.00$   
 $\$742.00 - \$742.00 = \$237.46$   
 $\$237.46 \div 742.00 = 32 \text{ percent for fringes, administrative and services}$   
 32 percent = 9 percent (for fringes) = 23 percent for administrative and services  
 Administrative cost rate = 8 percent (according to national DOL figures)  
 Therefore, services cost rate = 15 percent  
 According to DOL, a 1978 summer youth participant spent an average time of 10 hours a week for 28 weeks in the program.  
 Obviously there is a big difference between the 12 percent used to determine the 1979 unit cost and the 32 percent calculated from 1978 statistics.  
 Based on DOL's September 1978 reporting figures, December figures would be more accurate but were not available.

Although the Administration projects that \$742.00 million will fund one million jobs, only \$505 million will be available for wages to fund 788,000 slots. (See chart B.)

### 1979 Projected National Breakdowns

(Chart B)

$\$1 \text{ million} = x + .32x$   
 participant wages  
 $\$1 \text{ million} = 1.32x$   
 $\$1 \text{ million} \div 1.32 = x$   
 $x = \text{fringe, administrative and services}$   
 $\$1 \text{ million} + \$678.60^{**} = 788,388 \text{ slots}$   
 $\text{slots in discretionary} = \frac{37,957 \text{ possible slots}}{788,388} = 626,345 \text{ maximum slots}$

The figure is less the discretionary money that is set aside for use by the Secretary of Labor. This money is generally used for research and experimental projects.

$30 \div 9 \text{ weeks} \times 28 \text{ hours} = \$678.60 \text{ in wages}$

Costs are expected to rise this year because of extra requirements added to the program last year and because of increased emphasis on administration. (Administration monitoring of the program by DOL and prime sponsors were criticized in a recent General Accounting Office report. Although the report was based on findings in only seven of the prime sponsor areas, there was a move in progress to cut back the program in 1979.) Last year, under SYEP, 1,120,000 needy youths were employed in a variety of community projects. If the Secretary of Labor chooses to use his discretionary money, the program could fund over 800,000 jobs, some 12,000 more than \$535 million could pay for, but still below one million jobs.

The only way that one million jobs could be funded would be to cut the duration of the program so more jobs could be funded for a shorter period of time, or to calculate the number of jobs based on numbers served instead of slots funded. In the latter case, a higher coverage rate would benefit the Administration's claim since one youth could pick up at a point where another youth quit. Both of these remedies are part of a "numbers game" and would not be acceptable to local service providers.

SYEP is operated under the Comprehensive Employment and Training Act (CETA), as amended in 1978. The program employs poor

### Analysis

teenagers, 14 through 21 years old, for about nine weeks at an average of 26 hours a week during the summer months. Participants are paid minimum wage.

The youths serve as recreation leaders, museum aides, lifeguards, clerk-typists, maintenance helpers, and laboratory technicians. The program is intended to give the youths work experience that will prepare them for future employment and also meet their financial needs.

### Summer Youth Program Budget

To understand the national picture on funding for the summer youth program this year and next year, the following breakdown is provided. Keep in mind that "carry-in" is money not spent from the previous summer which is applied to this year's program and "carry-over" is money left over from this year's program and applied to next year.

Also, the \$740.2 million represents three items: the amount the Administration says is needed to fund one million jobs, the amount of summer funding in the continuing resolution for 1979 which is the new money appropriated by Congress this year for CETA, and the ceiling from which DOL figured its planning estimates which include unused funds from last summer and new funds for this summer.

### SYEP Funding for Fiscal '79, '80

1) The President, Congress and the Department of Labor (DOL) say that one million summer youth jobs will be funded this year.

2) The Office of Management and Budget (OMB) determined that the funding needed for one million summer jobs is \$740.2 million, figuring that the average cost per slot is \$740.2, including wages, fringes and administrative costs. (See chart C.)

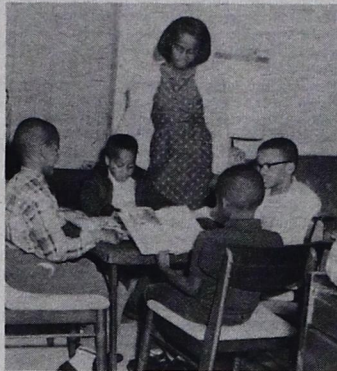
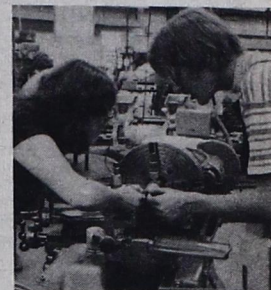
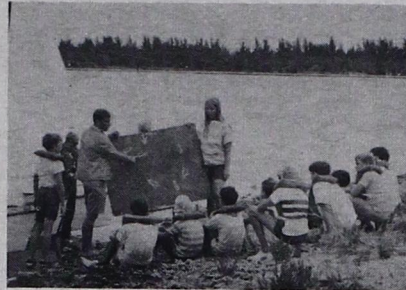
### Where Does \$740.20 Unit Cost Come From?

(Chart C)

\$2.90 minimum wage  
 $\times 28 \text{ average hours/week}$   
 $= \$75.40 \text{ weekly earnings}$   
 $\div 9 \text{ average weeks participation}$   
 $= \$678.60 \text{ wages}$   
 $+ 47.50 \text{ fringes (7 percent)}$   
 $+ 37.00 \text{ administrative costs (5 percent)}$   
 $= \$763.10$   
 $- 22.90 = 3 \text{ percent lapse}$   
 $= \$740.20 \text{ unit cost}$

3) As a result, the continuing resolution passed by Congress for fiscal '79 provides \$740.2 million for SYEP. This is new budget authority and does not include carry-in.

4) At the beginning of fiscal '79 (Oct. 1, 1978), it was estimated that there was \$120.1 million in assumed carry-in and \$1 million in unobligated carry-in from the 1978 summer youth program.



5) This fiscal '78 carry-in was to be the pot of money to sustain the President's proposed deferral of \$122.1 million in summer youth funds from fiscal '79 to fiscal '80, subsequently resulting in a cut in proposed appropriations for summer youth for fiscal '80.

6) Following the law and regulations, each prime sponsor will use carry-in from last year for this year's program. Planning estimates were released in March. The prime sponsors will subtract their actual carry-in as reported Dec. 31, 1978 from the planning estimate, and the difference will be made up in new budget authority. (The fiscal '79 planning estimates are equal to 91.9 percent of the availability for fiscal '78.) Since the continuing resolution is new money for this year, use of carry-in from fiscal '78 will result in carry-over for next year. Carter's proposed deferral is based on this premise. (See chart D.)

### Planning Estimate for 1979: How Determined

(Chart D)

\$740.2 million needed to fund summer jobs.  
 — 60.0 million carry-in estimated by DOL for planning estimates  
 $= \$680.2$   
 $\times .05 \text{ secretary's discretionary percentage by law}$   
 $= \$34.0 \text{ million in discretionary funds}$

\$740.2 million needed to fund jobs  
 — 34.0 million discretionary  
 $= \$706.2 \text{ million national planning estimate total comprised of carry-in and 1979 new budget authority from the continuing resolution}$

Note: Since the continuing resolution was funded at \$740.2 million in new budget authority, the use of carry-in from 1978 will result in carry-over from 1979, theoretically. A specific printout of the final levels, which will include carry-in plus new obligatory authority, will be issued as soon as all prime sponsors' expenditure reports of Dec. 31, 1978 are tallied. To figure your NOA, subtract your '78 SPEDY carry-in as reported Dec. 31 from your planning estimate; the remainder will be your NOA.

7) By proposing a deferral and cutting new appropriations for fiscal '80, the Administration will see a significant decrease in the massive carry-over that the summer youth program has

Continued on next page

## Looking Beyond Statistics

Statistics usually hold a hallowed position in Washington, D.C. but more important is what it all means to the person in the program. When you look at the effects cutbacks in the summer youth employment program will have on economically disadvantaged teenagers, it adds up to a long, hot summer for years to come.

• **Youths in poverty.** In 1978 two-fifths of all employed minority teenagers worked in the CETA summer youth program. As the number of participants diminishes, the unemployment rate for minority youths will increase.

In 1978 the \$742 that each of these economically disadvantaged youths earned in the program represented one-fifth of the average earned income of families in poverty. For 1979 the program will be shorter and these youths will earn only about \$678.

This spells hardship and no relief at a time when living costs are increasing at an alarming rate.

Also, because of cutbacks in weeks and hours, program operators will find it hard to provide useful work experience as well as career development opportunities for these needy youths.

• **The 14-year-olds.** For the summer of 1980 the Administration, OMB and DOL seem to agree on eliminating 14-year-olds from the program. If Congress goes along, a group that is perhaps the most needy and impressionable among the eligible participants will go unserved.

Participation in a meaningful summer youth program can help young people stay in school and acquire the necessary tools for making decisions about their futures. Youths must begin to acquire knowledge of careers and the labor market early to make

informed decisions about their careers or further educational requirements.

• **The minimum wage.** Last year's participants earned \$742 in wages on the average. Last summer, the minimum wage was \$2.65, this summer it is \$2.90 and next summer it will be \$3.10. This will affect the funding and duration of the program.

For example, this year OMB figured a cut in the average time spent in the program (from 10 weeks, 28 hours per week to 9 weeks, 26 hours per week) to hold down costs. The average participant will lose almost 9 percent in wages over last year.

To compensate for the 9 percent increase in wages for 1980, OMB again could establish a cut in the average time spent in the program to keep slot levels up and costs down. These needy youths will continue to be on the short end.



# NACo Foresees Cutback in '79 Summer Jobs

Continued from page 5

had. Therefore, the source of funding for the fiscal '81 summer youth program will be almost strictly new appropriations, with minimal carry-in.

8) The original estimate of carry-in from 1978 is highly inflated. DOL used a figure of \$60 million in carry-in for determining the various components used to arrive at planning estimates for the 1979 summer youth program. Current figures show that the actual carry-in is about \$71.4 million.

9) Now the problem is that the 1978 carry-in is not sufficient for Carter's proposed deferral and the President is asking the U.S. Treasury for a warrant to increase the total availability of funds for the 1979 summer youth program. This request must be a minimum of \$50.7 million, based on current figures. (See chart E.)

## The Inflated Deferral Problem: How Determined

(Chart E)

\$740.2 million 1979 continuing resolution  
+ 122.1 million proposed deferral/carry-in  
\$862.3 million total needed

\$740.2 million continuing resolution  
+ 71.4 million actual carry-in  
\$811.6 million total availability

\$862.3 million needed  
— 811.6 million actual  
\$50.7 million minimum needed to sustain deferral

10) If Treasury does not provide the additional funds, the President will decrease the proposed deferral accordingly and this figure will probably be close to the assumed \$71.4 million carry-in from 1978. (See chart F.)

## What Primes May See in 1979 and 1980

(Chart F)

1979

\$740.2 million continuing resolution fiscal '79  
— 71.4 million carry-in from 1978  
\$668.8 million in new budget authority fiscal '79

1980

\$411.1 million new budget authority  
+ 122.1 million deferral/carry-in  
\$533.2 million total: president's request for fiscal '80

\$740.2 million continuing resolution '79  
— 533.2 million request for fiscal '80  
\$207.0 million decrease in summer youth funds

Note: If the President does not get a Treasury warrant for additional funds for fiscal '80, his deferral request will decrease accordingly.

Therefore:

\$533.2 million fiscal '80 request  
— 71.4 million actual carry-in  
\$461.8 million needed in new budget authority versus \$411.1 million

## The Planning Estimates for This Summer

Charts C and D provide some explanation of how DOL arrived at its overall planning estimate. What will be explained here, however, is how DOL arrived at each prime sponsor's estimate to plan summer jobs at the local level.

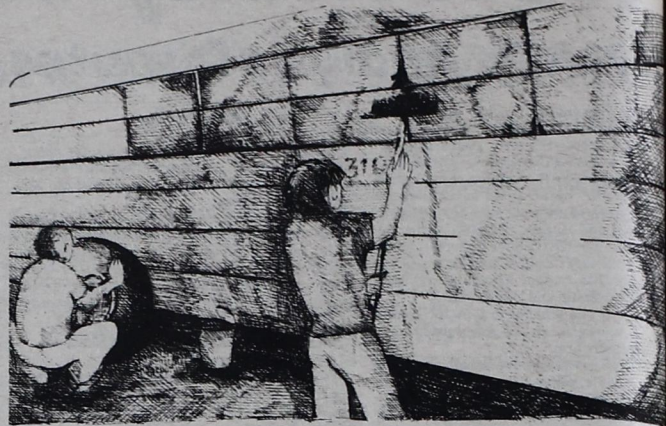
The method of allocating summer youth funds to prime sponsors, as outlined in the law, does not directly relate to youth unemployment. The new law instructs DOL to sustain prime sponsors' prior year's funding level. This method is outlined in Section 483 (c) (2) of CETA as amended in 1978.

When Congress wrote the new CETA law, it designated Title IV as youth programs and specified Part C as the "summer youth program." In the old law, there was no special subpart for the summer program and the Title I allocation formula was used administratively to determine summer youth funding. However, for the summer youth program, a 100 percent hold harmless was used instead of Title I's 90 percent. This same formula was applied when Congress amended CETA and created a special part for the summer youth program.

Funding the summer program is a two-step process. In the first step, a formula is used to develop allocations based partly on indicators of economic need. In the second step, however, an override comes into play which is the hold harmless provision. DOL adjusts the formula so that each prime sponsor, regardless of relative need, receives enough funds to provide the same number of jobs as in the prior year's program. Some prime sponsors receive more funds than they would under the first step, while many receive less. Generally, this funding practice favors urban prime sponsors at the expense of others.

For the 1979 summer youth program, however, DOL did not have sufficient information to use the funding formula. In its place, DOL took each prime's 1978 summer youth funding figures and decreased them by 8.1 percent to determine this year's funding figures. The decrease comes as the result of a cut in money available for this year's program as compared to last year's.

As for those prime sponsors who dissolved their consortiums since last year, DOL solicited information from them on how the 1978 summer youth funds were divided among the various consortium members. Then they allocated 1979 funds accordingly. For example, Consortium X which is made up of one county and one city received \$1 million in 1978 summer funds. The county received \$300,000 and the city \$700,000.



This year the consortium was dissolved and the county and the city are each prime sponsors in their own right. Therefore, DOL estimated the new county prime's summer funds to be \$300,000, less 8.1 percent for this year and the new city prime's to be \$700,000, less 8.1 percent.

## 1980 Summer Youth Program

The increase in minimum wage will result in about a 9 percent increase in the cost of each job slot. The same calculations which produced the \$740.20 per slot figure, work out to a slot cost for 1980 of roughly \$795. Therefore, the \$533.2 million in Carter's fiscal '80 budget request will fund only about 670,700 job slots. The Administration claims it will fund 750,000 jobs next year.

If you consider actual administrative costs, including fringe benefits, services and training, the job level for 1980 will more realistically be about 556,851 slots. (See chart G.) If you also consider that the Secretary's discretionary funds are awarded to some research projects, a decrease of several thousand more job slots can be projected. Because of turnover, the number of actual participants will be higher than the job slots available—but this is of no great consolation to anyone, except possibly DOL, because it is purely a numbers game. However, a factor which will have a positive effect on the job slot level is the carry-over

from the 1979 summer youth program that could be added to new budget authority.

## 1980 Slots

(Chart G)

1) \$53.2 million ÷ 1.32 = \$403.94 million for wages  
2) \$403.94 million ÷ 725.40\* = 556,851 job slots.  
\*\$3.10 x 9 weeks x 26 hours = \$725.40

## Now What?

It would appear that the summer youth program is in trouble and will decline drastically if action is not taken. To ask Congress for more funds this summer could backfire. The GAO report has angered many members of Congress who now think the SYEP is rife with abuse. The program could be cut this summer Congress took action.

The President could withdraw his deferral request and use the carry-in from last year along with the new budget authority this year to provide over 900,000 job slots. If this course were followed the Administration would have to increase its budget request for the 1980 summer youth program.

To fund the promised 750,000 jobs for next summer, an additional \$307 million would be needed in new budget authority, provided there is no carry-over from the 1979 summer program. At a time when fiscal conservatism is the password, this course of action is rocky one.

# Matter and Measure



## URBAN INITIATIVES PROGRAM GRANTS

The U.S. Department of Transportation (DOT) has announced the award of \$6.98 million in Urban Initiatives Program grants administered by the Urban Mass Transportation Administration (UMTA). The \$200 million per year program helps finance transit-related projects, such as joint development, intermodal terminals and transit malls.

U.S. Secretary of Transportation Brock Adams has said, "I would like to encourage officials at all levels of government to work together to identify such projects." Applications should be submitted to the regional offices of UMTA, where an initial screening will take place. The final project selections will be made by UMTA's Washington office.

UMTA published program guidelines in the April 10 *Federal Register*. Contact Karen O'Rourke at NACo for a copy.

In DOT's first quarterly announcement (April 4), the following grants were awarded:

- Fall River, Mass.—\$64,000 to design and acquire land for an off-street transfer facility to be located in the central business district.
- Atlanta, Ga.—\$88,000 to the Metropolitan Atlanta Rapid Transit Authority for a bus-only transit area.
- St. Louis, Mo.—\$4.84 million to the Bi-State Development Agency to renovate two buildings in an historic area to house approximately 300 administrative transit personnel.
- Denver, Colo.—\$765,600 to the Denver Regional Transportation District for design and engineering of a

project which includes construction of two transit terminals.

- Bellingham, Wash.—\$362,244 for land acquisition and engineering to convert an abandoned railroad depot to a central bus transfer facility and terminal.
- Long Beach, Calif.—\$852,000 to the Long Beach Public Transportation Company for design and engineering of a transit mall.

In addition, funds have been set aside for the following projects and technical studies:

- \$2.5 million for a Dallas, Texas transfer facility,
- \$269,160 to Lawrence, Mass. for new transit service in the town's central business district,
- \$7.17 million to Pittsburgh, Pa. for land acquisition, engineering and design of an underground trolley station,
- \$10 million for three joint development projects in Baltimore,
- \$110,592 technical studies grant to Atlanta, Ga.
- \$146,800 technical studies grant to Atlanta, Ga.

## HIGHWAY CONSTRUCTION COST INCREASES

The U.S. Department of Transportation indicates that the cost of highway construction during the fourth quarter of 1978 rose 2.2 percent above the previous quarter to 302.7 percent of the 1967 average. The 2.2 percent increase compares with increases of 17.6 percent in the second quarter and 14.7 percent in the third quarter. The composite price index for the fourth quarter of 1978 was 29.9 percent higher than a year ago. This compares with a corresponding annual increase of 37.1 percent in the previous quarter.

## SEMINARS ON CLEAN AIR ACT

The Institute of Transportation Engineers (ITE) will conduct the following one-day seminars for transportation engineers on the 1977 Clean Air Act Amendments: May 8, South Egremont, Maine; May 17, Columbus, Ohio; June 20, Austin, Texas; and June 21, San Francisco, Calif.

Registration fee is \$25. For more information contact Mark Norman, ITE, 1815 N. Fort Myer Drive, Arlington, Va. 22209; 703/527-5277.

## TRANSPORTATION BROKERAGE PROGRAM

The Urban Mass Transportation Administration, through the Transportation Center of the University of Tennessee, is sponsoring a program on transportation brokerage, May 17-18 at the Hotel Sonesta in Hartford, Conn. Transportation brokerage integrates functions of transportation planner, engineer and manager into one organization. There is no conference fee. For more information contact Ray Mundy or Winston Redford at 615/974-5255.

## INFORMATION ON MAINTENANCE MANAGEMENT

During NACE's annual management and research conference last month, Jan Rosholt, executive assistant to the Clark County (Wash.) Board of Commissioners, presented an excellent paper on maintenance management in Clark County. Copies of this paper are available from Karen O'Rourke at NACo.



# Public Official Liability Insurance

## Lower Rate Renegotiated

Our insurance contractor, Unimark-McDonald (Dallas, Texas), has successfully obtained a reduction in county rates for the Public Official Liability Insurance program. The rate reduction took effect April 1 for all new contracts and on renewal for any written prior to that date. NACo is very pleased at this recent development. Please look for the Unimark Exhibit at NACo's 44th Annual Conference July 15-18, Jackson County (Kansas City) Mo.

## Basic Policy

### Coverage:

There are three general areas where public official is open to personal liability.

For a general wrongful act: A factitious but realistic definition of a wrongful performance is any act which a court decides is wrong. Examples of court upheld wrongful acts which have involved public officials include the following:

- Inadequate or improper delivery of government services;
- Improper procedures in denial of beverage licenses;
- Inadequate or improper handling of employee disciplinary problems;
- Inadequate or improper procedures in zoning decisions; and
- Incidents involving the refusal of services.

For an act alleging discrimination: These are based in federal law, specifically Sections 1928 and 1981 of Title 42 of the United States Code.

For an act alleging denial of civil rights: These are also based in federal law, specifically Section 1983, Title 42 of the United States Code. Of particular importance is that this act requires that the individuals involved, rather than a local government, be held accountable.

## To All County Officials:

**THE PURPOSE** of this announcement is to introduce a new NACo member service—a Public Official Liability Insurance Policy available to all counties which are members of NACo. This insurance program has been reviewed by a NACo Board of Directors Committee, chaired by Second Vice President Roy Orr, and overwhelmingly approved by the NACo officers and directors in August.

**I URGE YOU** to read this page and learn about the program which was put together from what our members have told us they wanted. Many of them have experienced spiraling premiums, insurance cancellations, or complete unavailability of coverage for liability insurance. This program represents the best personal liability insurance coverage we can obtain for public officials, while assuring broad availability to all types of counties. For some, this program is an effective alternative; for others, it is a positive opportunity.

**MOST IMPORTANTLY**, the Public Official Liability Insurance Policy is specifically targeted for the protection of a public official's personal assets. Because of the increasing areas in which public officials are personally liable, the coverage is not inexpensive. Today, there is no such thing as cheap liability insurance. The underwriters, however, have accepted the idea of a group program as a means of reducing the economic risk in the product. They are cautious and watching the program carefully. We join with them in urging that you look at insurance as a last step in a good risk management program. We urge you to send representatives from your county to risk management seminars and to assign responsibility for communicating risk reduction information to all of your personnel.

The NACo liability insurance program is specifically aimed at counties. Most member counties will be issued the insurance after application. However, those with a history indicating a very high risk may be denied.

**IT IS ALSO** important to understand that this program is broad-based, jointly conducted by NACo, the National League of Cities, and the International City Management Association. This broad-based aspect has proven to be an effective tool in negotiating various insurance policies. In the long run, the project will demonstrate to the insurance industry that local government is a good investment, and we encourage you to examine it.

—Bernard F. Hillenbrand  
Executive Director  
National Association of Counties

## Eligibility Requirements

Any county which is a member of the National Association of Counties, subject to the approval of the policy by the insurance commissioner in those states where policy filing is required.

### Who Is Insured:

1. County executive or other chief elected official;
2. Members of the board, council, or other governmental legislative body;
3. Other administrative officials, whether elected or appointed;
4. County manager, assistant manager, or other appointed chief administrator of the county;
5. Other appointed administrative department heads;
6. County attorney or other head of the legal department; and
7. Volunteer civic representatives serving on government boards and commissions acting within the scope of their authority by and on behalf of the other insureds as defined in the policy.

### Who Is Not Insured:

The following individuals, boards, commissions, authorities, units, or administrative departments or agencies: (a) school; (b) airport; (c) hospital; (d) county owned gas or electric utility; (e) heads of sheriff or other criminal law enforcement departments; (f) fire marshal or other head of fire department or departments; (g) judicial officials.

**Limits of Coverage:** \$1,000,000 basic maximum each year (all costs) with potential for applying for additional insurance up to \$10,000,000 annually.

**Premiums:** Premiums will be based on a local government's population, experience, and related risk factors. The minimum premium is \$3,157. Rates will vary from local government to local government.

**Self Insured Retention:** Small counties assume the first \$5,000 of risk. This retention rises with the population of the county.

### Agency and Insuring Companies

The insurance contractor is Unimark-McDonald, a division of Unimark Companies of Dallas, Inc. The chairman of the board of Unimark, Inc. is a former city councilmember and is well acquainted with the public official liability problem. The insurance company is the Republic Insurance Company of Dallas, Tex. In some states, one of this company's affiliates will issue the policy.

### Local Insurance Agent

Generally the insurance can be purchased directly through the mail from Unimark-McDonald. In some cases it may be necessary to deal with a local agent. In these cases the local agent will negotiate his fee with the local government and beyond the basic premium.

### Legal Counsel

The national firm of Kroll, Edelman, Elser, and Wilson is a highly specialized liability and defense firm, representing the insurance companies. They are charged with protecting the financial integrity of the program by participation in the legal defense, providing risk reduction assistance, and by developing a strategy to prevent inappropriate legal precedent.

One of the spinoff benefits to this program is the inclusion of a highly qualified national law firm which becomes concerned about the overall liability of public officials and will be watching it from a national perspective.

## For Additional Information

1. Write or call  
Attention: Kathey Phillips or  
Sheryl Rogers  
Unimark-McDonald  
2525 Stemmons Frwy.  
P.O. Box 35948  
Dallas, Tex. 75235  
Telephone: 214/638-8070  
Toll free: 800/527-7708  
except in Texas, 800/492-4214
2. Write or call:  
ICMA Public Service Center  
1140 Connecticut Ave., N.W.  
Washington, D.C. 20036  
Telephone: 202/293-1892

This information summarizes part of a program sponsored by the International City Management Association, the National League of Cities, and the National Association of Counties. It is *not* to be considered as a solicitation for insurance nor as a comprehensive description of the insurance contracts or policies outlined. Individuals desiring authoritative information should contact our insurance contractor Unimark-McDonald.



# **URBAN COUNTY CONGRESS**

**May 24-25**

**Washington Hilton Hotel**

**Co-sponsored by: The National Council of Elected County Executives  
and NACo's Urban Affairs Committee**

NACo's Third Urban County Congress will set its sights on the urban county of the '80s. The vision of a modern, responsive, efficiently run urban county offering a spectrum of services to its citizens can be reality. Learn how you can help build the county of the future.

Key issues to be discussed include jobs, housing, community development, energy, transportation, social services, local government modernization and an agenda for the 1980s.

Delegates at NACo's Third Urban County Congress can both preregister for the conference and reserve hotel space by completing this form and returning it to: **NACo Conference Registration Center, 1735 New York Avenue NW Washington, DC 20006, Attn. Urban County Congress Coordinator.**

## **CONFERENCE REGISTRATION**

Conference registration fees must accompany this form before hotel reservations will be processed. Enclose check, official county purchase order or equivalent. No conference registration will be made by phone. Refunds of the registration fee will be made if cancellation is necessary provided that written notice is postmarked no later than May 10, 1979.

Conference registration fees: \$95 Delegate, \$50 Spouse (Make payable to NACo Urban County Congress)

Name _____		(Last)	(First)	(Initial)
County _____		Title _____		
Address _____				
City _____		State _____		Zip _____
Telephone ( ) _____		FOR OFFICE USE ONLY		
Name of Registered Spouse _____		Check Number _____		Check Amount _____
		Date Received _____		Date Postmarked _____

## **HOTEL RESERVATIONS (Washington Hilton Hotel)**

Special conference rates will be guaranteed to all delegates whose reservations are postmarked by April 27, 1979. After that date available housing will be assigned on a first come basis. Delegates must register for the conference in order to receive hotel accommodations in NACo's block of rooms and receive the conference rate.

Indicate preference by circling the type of room (Lowest rate available will be reserved unless otherwise requested):

Single \$40-56 Double \$54-70

Note: Suite information from Conference Registration Center 703/471-5761.

Name of Individual \_\_\_\_\_

Co-occupant if Double \_\_\_\_\_

\*Arrival Date/Time \_\_\_\_\_ Departure Date/Time \_\_\_\_\_

Special Hotel Requests \_\_\_\_\_

Credit Card Name \_\_\_\_\_ Card Number \_\_\_\_\_ Expiration Date \_\_\_\_\_

( ) Check here if you have a housing related disability.

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

For further housing information call NACo Registration Center: 703/471-6180

## **EDA Programs Said Needed by Counties**

Continued from page 1

guarantee program to attract business investment and reinvestment in distressed areas, as well as a standby countercyclical local public works construction program. This latter program would be triggered by a substantial increase in national unemployment, similar to programs enacted by Congress in 1976 and 1977.

THE ADMINISTRATION'S proposed EDA legislation would simplify the criteria used to determine a county or city's eligibility for EDA assistance. Under it, a community is eligible for assistance if it meets one or more of the following conditions:

- An average unemployment rate for the last five years in excess of the average national unemployment rate;
- A per capita income level which is 80 percent or less of the national per capita income average or a net job loss for the last five years;
- An average unemployment rate for the last 24 months which is at least 1 percent above the national unemployment rate and which is at least 7.5 percent;
- A net employment loss;
- A poverty population in excess of 16.5 percent of the total population of the area.

In addition, eligibility is extended to any subarea within an otherwise noneligible jurisdiction which meets any one of the above criteria. Such subarea is referred to as a "pocket of distress."

Barrett told the subcommittee that while NACo supports a simplified eligibility system and the extension of eligibility to so-called "pockets of distress," "we are concerned that EDA has not as yet produced a list of eligible counties."

He said that he had learned in discussions with EDA officials that

the revised eligibility criteria would make many counties eligible for the program for the first time while others would lose eligibility. However, he added, the overall expectation was that there would be a net reduction of 35 counties nationwide.

TO MITIGATE the effects of those counties and other communities which would no longer be eligible for the program, Barrett urged Congress to maintain eligibility for those governments currently participating for three to five years. The current legislation authorizes a two-year period.

"We further understand from discussions with EDA that the pocket of distress provision within the legislation is silent on whether such pocket within the unincorporated area of an otherwise noneligible county could be eligible for EDA assistance. We therefore ask the subcommittee to refine this provision to ensure the unincorporated pockets of distress are afforded the same opportunity to qualify for EDA assistance as pockets within incorporated areas," said Barrett.

Barrett also expressed NACo's support for the Administration's proposal to consolidate the Small Business Administration's loan programs together with those of EDA.

"NACo opposes, however, the transfer of the \$1 billion business and industrial loan program from the Farmers Home Administration to EDA. Such a shift would seriously hamper the rural development activities of the FmHA and would not guarantee that the program's present focus on rural communities below 50,000 population would be preserved," he said.

The Administration's economic development reorganization plan is expected to be sent to Congress this spring.

## **Sustained Level for Housing Funds Asked**

Continued from page 1

The Senate Budget Committee recently voted to decrease funding in the First Congressional Budget Resolution for the Section 8 program by some \$5 billion over the amount requested by the Administration. The cut, if ultimately approved by Congress, would reduce the level of assisted housing units from an estimated 300,000 under the Administration's proposal to a projected 250,000 unit total, assuming Congress made certain fundamental changes in the assisted housing programs.

Those changes would include increasing the proportion of a tenant's income contributed toward rent from the current 25 percent to 30 percent, as well as altering the present mix of 66 percent of the funds going to support construction of new housing units and 34 percent of the funds used to lease existing housing units to 50-50.

Erdreich asked the housing subcommittee to approve legislation providing funding for at least 326,000 units of Section 8 public housing as well as to reject the proposed changes in the program. The 326,000 unit figure is the same as this year's level.

"With performance under the community development block grant program conditioned upon affirmative action to meet the housing needs of low and moderate income persons, we simply must have the resources with which to meet these needs," he said.

Erdreich also urged the subcommittee to approve the Administration's

requested program level of \$185 million for the Section 8 housing rehabilitation loan program as well as authorization of \$675 million for the urban development act grant program to permit funding "pockets of poverty" in otherwise ineligible cities and urban counties.

Although the First Congressional Budget Resolution, which must be enacted by May 15, sets spending targets for all federal programs, it does not set ceilings for them. Cuts are provided in a second resolution in September which reconciles congressional action on various authorizing and appropriations bills with the targets set out in the first resolution.

However, authorization and appropriation bills which exceed the initial target are more difficult to get through Congress. Initial cuts in those proposed by the Senate Budget Committee can mean an uphill struggle in the housing area.

## **EPA Seminar**

The resource recovery roadshow sponsored by the Environmental Protection Agency, will stop next in Los Angeles on May 22-23 at the Biltmore Hotel.

The seminar covers all aspects of implementing resource recovery from source separation to wastewater treatment and from contracting to management. To register for the workshops and make a hotel reservation call 703/471-6180. The cost is \$75 for the workshop.