

This Week

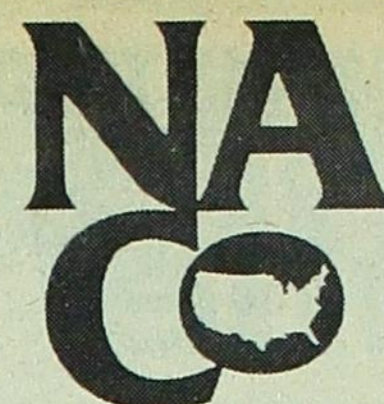
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Vol. 10, No. 20

COUNTY NEWS

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

May 15, 1978



Washington, D.C.

CETA Extended by Senate Panel

WASHINGTON, D.C.—The Senate Human Resources Committee reported out its four-year CETA extension (S. 2570) May 11 as *County News* went to press.

The committee accepted an allocation formula for an estimated \$3 billion in Title II-D public service employment (PSE) for the structurally unemployed that distributes funds as follows:

One-third based on relative numbers of unemployed, one-third on relative number of unemployed in excess of 4.5 percent, and one-third on relative numbers of unemployed in excess of 6.5 percent.

At press time, computer runs on the formulas considered were not available for an analysis of the impact on counties.

The committee did approve a change in the definition of areas of substantial unemployment (ASU). Through next year, an ASU is defined by unemployment over 6.5 percent for the highest three consecutive months in the last 12. Starting in fiscal '80, ASUs must average over 6.5 percent for a full year.

COUNTIES CONCERNED about using property tax dollars for CETA participants' retirement payments

got a partial success from the Senate committee, which adopted this language:

"Except as otherwise provided in regulations promulgated by the Secretary, no funds under this act may be used for contributions to retirement systems or plans unless such contributions bear a reasonable relationship to the cost of providing benefits to participants. Such regulations shall take into consideration circumstances where efforts are being made to change state or local laws or both affecting retirement coverage for individuals who are participants in activities funded pursuant to this act."

The group also directed the Labor Department to use discretionary funds which are not otherwise obligated to make up for funding drops brought about by the change in how unemployment data is computed. The senators struck a complex, quarterly trigger for Title VI public jobs funds and provided for the extension of PSE projects of demonstrated effectiveness.

The House Education and Labor Committee reported out its version of CETA (note the new bill number—H.R. 12452) on May 3. A vote on the

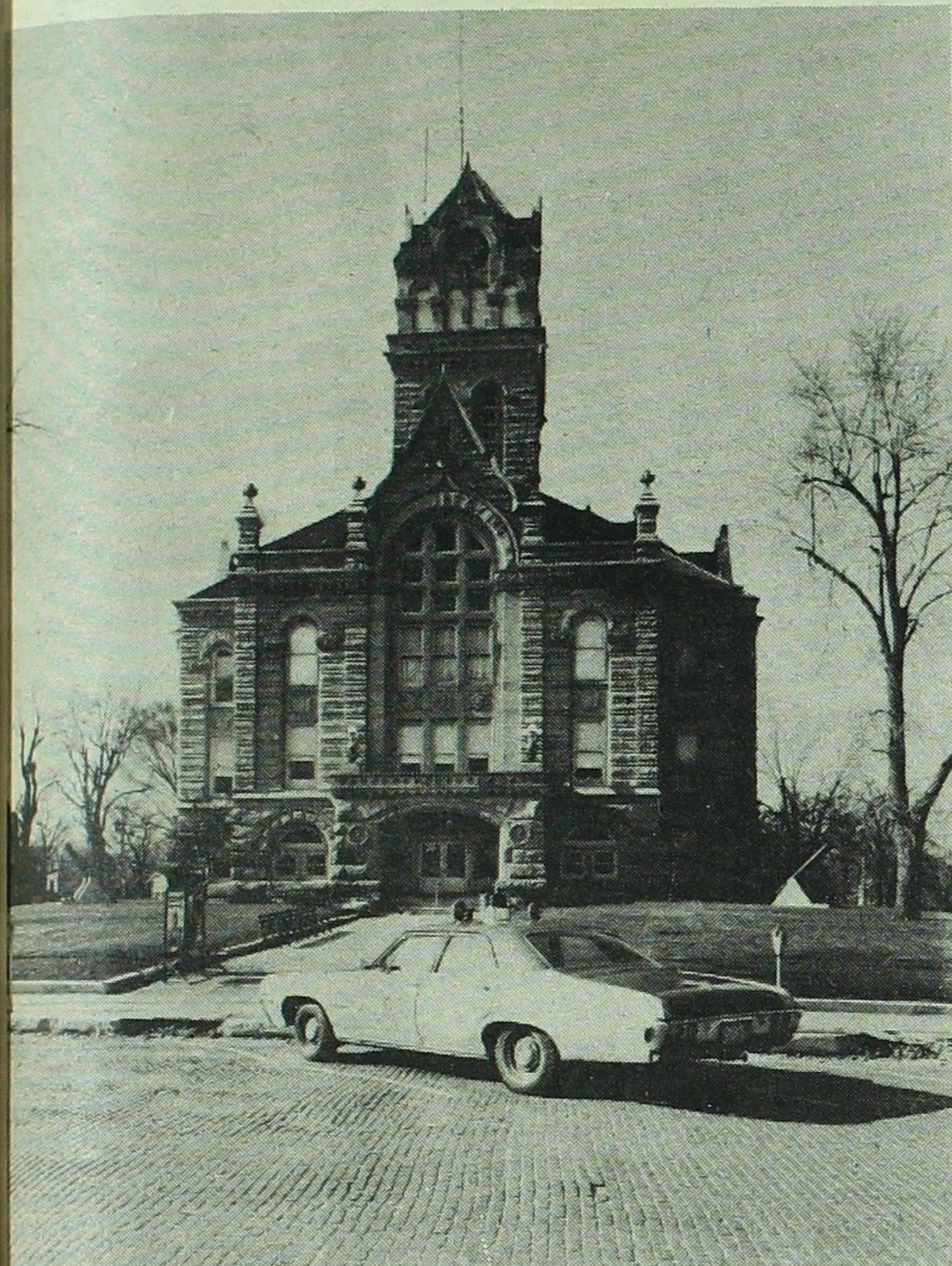
floor of the House will probably not take place until early or mid-June.

A NUMBER of significant votes were taken in full committee. In particular, the House committee adopted a Title II allocation formula that combines the current Titles I and II formulas and benefits the largest number of counties, cities and consortia.

A surprise amendment directs the Labor Secretary to set area standards for average public service employment (PSE) wages so that, in fiscal '79, the national average wage equals \$7,800. In subsequent years, the national average will be adjusted based on the Consumer Price Index.

Other significant amendments include a two and a half year limit on an individual's CETA participation in any five years; a restructuring of the State Employment and Training Council into thirds, rather than quarters; the inclusion of handicapped people residing at home, no matter what the family income, in the definition of economically disadvantaged; and a change in the fiscal '79 Title II hold harmless so that in fiscal '79 each prime sponsor will receive a new

See RESULTS, page 12



THE COURTHOUSE—The most important building of every county across the country is a symbol of the pride in local government. It is also a symbol of a nation with a deep respect for the law. NACo is sponsoring a 120-photo exhibit of "Court House" from May 17 to June 6. The exhibit will then travel across the country for two years. The above picture by Bob Thall is the Starke County Courthouse in Knox, Ind. For more information, see pages 6-7.

Urban Initiatives on Move

Title XX Targeting Draws Criticism

WASHINGTON, D.C.—The Administration has drafted social services legislation (Title XX of the Social Security Act) which would target \$150 million to urban areas and has announced that it opposes a \$200 million increase in the Title XX funding ceiling supported by NACo, states and social services groups.

This proposed increase has been introduced into legislation, H.R. 10833, by Reps. Donald Fraser (D-Minn.) and Martha Keys (D-Kan.) and has 126 co-sponsors. The Administration proposal would not raise the ceiling and would provide the \$150 million for only four years.

The Administration's draft bill is part of the President's urban policy package.

THE BILL would target money to urban areas by mandating criteria for substate allocation formulas which each state would follow. Currently each state determines its own substate allocation process. There would be a separate "targeted" funding process and these funds would be 100 percent federal with no match as required for other Title XX programs.

The bill would also provide for the state to make a contract with the "chief elected local officials" for social services funding and show how the money would be spent. There is no requirement that these elected officials be those who are currently responsible for social services delivery and there is concern that new delivery systems would be set up which could duplicate current systems, especially since 100 percent funding would be provided.

The Administration proposal was developed without consulting NACo, the National Governors Association, American Public Welfare Association and other social services providers. The bill is under review by the Office of Management and Budget and is expected to

See Title XX, page 5

New Transit Program to Skirt Counties

WASHINGTON, D.C.—Transportation Secretary Brock Adams last week asked congressional Appropriation Committees for \$200 million more each year for economic development aid to cities.

The money would be administered by DOT's Urban Mass Transportation Administration (UMTA) and used for capital improvements in urban transportation facilities and equipment. According to DOT, the goal is to encourage private investment in the revitalization of cities.

It is unclear whether Senate and House Appropriation Committees will go along with the proposal, which is one element of Carter's urban initiative program.

If approved, UMTA reportedly intends to use existing Section 3 grant procedures for administering these special transportation funds.

How the agency will handle grant applications from counties is unclear. Adams has said that preference could be given to cities experiencing "distress" and "hardship." These terms have yet to be defined by DOT officials.

The proposed Intermodal Transportation program increases the total UMTA fiscal '79 budget request to \$3.065 billion.

Projects which would qualify for funding under the new program include terminals for such transfers as between rail and bus, rail-subway, and bus-subway, joint development activities and other projects related to public transportation.

Eligibility for Public Works Questioned

WASHINGTON, D.C.—The Economic Development Administration (EDA) last week was putting the final touches on the three-year, \$3 billion "Labor Intensive Public Works Program" in preparation for its being sent to Capitol Hill.

Cities of over 50,000, counties (that is, the balance of the county outside cities of 50,000), and cities and counties with pockets of poverty will be eligible for funds. A city or county, or a pocket within, must have an unemployment rate equal to or exceeding either the national rate or the state rate, whichever is lower. In addition, no community will receive an allocation less than \$150,000.

INITIAL NACo analysis indicates that the proposal, by requiring counties to use unemployment data for the balance of the county outside cities of over 50,000, fails to recognize the countywide nature of many county services (both within such cities and outside) and would either preclude their undertaking public works projects within such cities or using funds earmarked for areas outside them. Such restraints would mean dilution of the funds to counties. Efforts are underway to ensure that counties are given credit for countywide unemployment data.

The public works proposal does, however, build on the emerging role of counties as "brokers" of funds to smaller communities as "brokers" of funds to smaller communities and special purpose districts, a role which counties now play in the community development block grant and employment and training programs. It also permits counties, which do not meet the minimum unemployment rate qualification on a jurisdiction-wide basis, to qualify "pockets of poverty" within them—something counties were not permitted to do under Round II of the Public Works Employment Program of 1976.

The public works measure is one of the new initiatives proposed by

See ELIGIBILITY, page 5

ADMINISTRATION DEFIED

Panel Ups Money in Transportation Bill

WASHINGTON, D.C.—The House public works and transportation subcommittee completed markup and reported out a \$65.9 billion four-year highway and transit bill last week. The bill, H.R. 11733, now goes to the full committee with debate scheduled early this week. The bill is being viewed critically by the Administration because authorizations total \$18.7 billion

Funds Voted to Operate Rural Transit

WASHINGTON, D.C.—A NACo-sponsored amendment, introduced by Rep. John Breaux (D-La.), to create a rural public transportation program was unanimously approved by the House Surface Transportation subcommittee in markup of H.R. 11733.

The public transportation program for nonurban areas is authorized at \$125 million for fiscal '79. The program would fund capital equipment at 80 percent federal share and, for the first time, federal subsidies for operating expenses would be available for up to 50 percent of net operating project costs.

A common complaint from many rural public transportation providers has been the lack of federal operating expense support. NACo has repeatedly pointed out that nonurban or rural areas of the country have received less than 1 percent of the Urban Mass Transportation Administration (UMTA) funds.

The amendment calls for funds to be apportioned to the states based on each state's nonurban population. The states would distribute funds to eligible recipients, including counties, to provide local transportation services.

The amendment also authorizes the Transportation Secretary to waive certain provisions of the UMTA act to meet the special needs of public transportation in areas other than urban. DOT is also charged with the responsibility, in cooperation with the State Regulatory Commissions, to evaluate escalation of insurance rates for operators of public transportation in rural areas and for providers of special transportation services for elderly and handicapped persons.

A rural public transportation program has been included in S. 2441 which has been reported out by the Senate Banking Committee. The Senate's language is very similar to the House version.

more over four years than the Administration recommended.

Transportation Secretary Brock Adams appeared unexpectedly in the committee room and outside the hearing room to voice strong opposition to the subcommittee's actions. Adams' presence seemingly annoyed many members who feel that such tactics will not help the Administration's position on the bill. Adams went as far as to say that if this version is approved, he will recommend the President veto the bill.

Rep. Robert Roe (D-N.J.) substituted for subcommittee chairman, Jim Howard (D-N.J.), who is recovering from a heart attack. However, Howard's presence was evident as the subcommittee took up and approved the majority of the amendments debated.

Under the subcommittee proposal approximately \$18 billion would go for mass transit capital improvement and operating assistance and \$48 billion for various highway and safety programs over the next four years.

A number of important amendments were agreed to by the members:

• Submission of environmental impact statements for uncompleted segments of the Interstate Highway network was moved up to Sept. 30, 1984.

• Transferability between highway categories was increased with up to 50 percent primary highway funds available to secondary highway and up to 25 percent of primary funds could be shifted to urban highways.

• Energy impact highway discretionary grant program was approved at \$50 million per year and 80 percent federal share for coal haul roads.

• Grants and loan programs were created for local van-pool programs.

• Energy impact rail-highway crossing program was approved to provide grants to separate railroad grade crossings.

• UMTA Section 3 capital grant program was consolidated into a \$1.86 billion program to provide funds for modernization, planning, new starts and rolling stock.

—Tom Bulger

BRIDGES

Amendments Strengthen Bridge Program in House

WASHINGTON, D.C.—The House Surface Transportation subcommittee has completed markup of H.R. 11733, the Surface Transportation Act of 1978, which includes \$2 billion for a special bridge replacement program at 90 percent federal share. A number of bridge program amendments were approved, strengthening the House's bridge program.

• An amendment, introduced by Rep. William Harsha (R-Ohio), raises the amount of bridge funds to be spent off the federal aid system. The amendment would require a minimum of 25 percent and maximum of 35 percent of federal bridge funds to be spent off-system. Originally the bill included a minimum of 20 percent and maximum of 30 percent. This amendment could, if finally approved, help many counties who have bridges which are not on the federal aid system.

• Rep. E.G. "Bud" Schuster (R-Pa.) introduced two bridge amendments. One amendment would require the states to distribute federal bridge funds in "a fair and equitable way" throughout each state. This amendment is especially important in NACo's attempt to secure off-system bridge funding. The other amendment calls for the Department of Transportation (DOT) to report to Congress as soon as possible any recommended changes to the federal bridge replacement program.

IN THE SENATE an amendment to raise bridge program funding from \$450 million to \$600 million, with 15 percent of these funds distributed directly to counties, was defeated. The amendment was sponsored by Sen. John Culver (D-Iowa) in full committee markup of S. 2440.

The Senate Public Works Committee believes that the federal bridge program at \$450 million recommended by the Administration and included in the committee draft of S. 2440 is realistic.

NACo is concerned that the Administration through the Federal Highway Administration (FHWA) justified the \$450 million bridge figure by asking information from states alone. FHWA asked the states to provide a list of bridge projects which could be authorized for construction during 1978. The states' bridge estimates totalled approximately \$492 million.

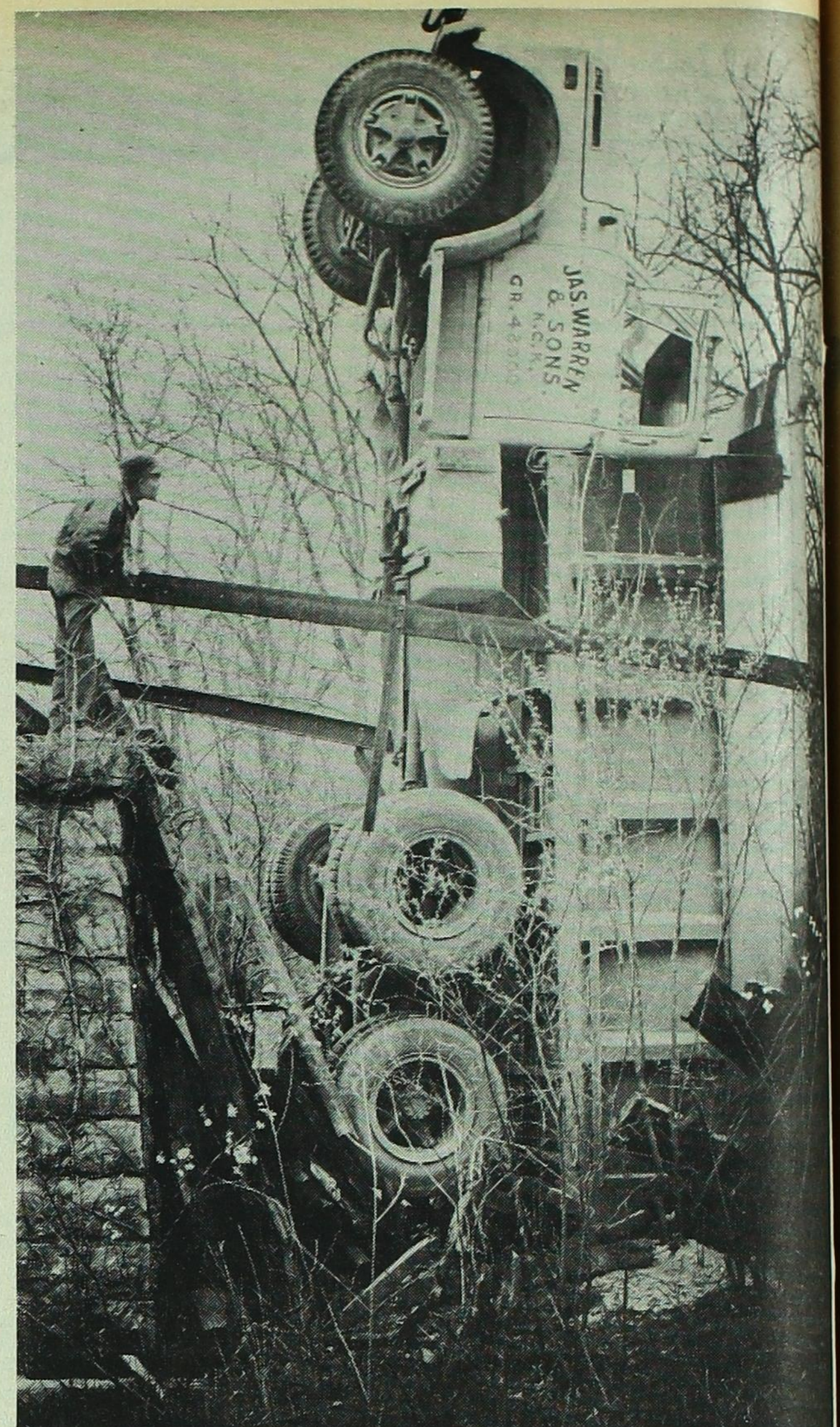
According to Washington sources, this list became the basis for the bridge funding level proposed by the Administration.

NACo Chairman for Bridges James Flaherty, chairman, Allegheny County (Pa.) Board of Commissioners, told a Senate committee in March that the annual \$450 million for bridge repair proposed in S. 2440 would only be enough to solve the bridge problems in his county alone. (Allegheny includes the city of Pittsburgh and has 1,725 bridges that bear 417,000 tons of finished steel products each day.)

Also, Flaherty estimated that at the rate of \$450 million per year, it would take 41 years to repair or replace just the known defective bridges today.

A RECENT NACo survey found that one-third or more of the nation's off-system (not on a federal aid highway system) bridges under county jurisdiction are in need of repair or replacement.

The survey identified 233,800 bridges under county jurisdiction. Estimated bridges with problems of structural deficiency (those which have been restricted to light traffic or closed) total 77,900. Estimated totals of functionally obsolete (those bridges which are too narrow or have too low a clearance or approach roadway alignment or load capacity which can no longer safely service the road to which they are an integral part) are 88,900.



3-2-1-BLAST-OFF—Driver of this 15-ton truck decided to cross a 4-ton posted bridge in Johnson County, Kan. Result is shown. Photo courtesy of The Olathe Kansas Daily News.

Rural Development Council Proposed

WASHINGTON, D.C.—The House Agriculture subcommittee on family farms, rural development, and special studies has completed action on H.R. 10885, the Rural Development Policy Act of 1978. The bill, sponsored by Rep. Richard Nolan (D-Minn.) and Charles Grassley (R-Iowa), will be considered in the full Agriculture Committee this month.

The legislation is designed to strengthen the rural development functions and responsibilities of the Assistant Secretary for Rural Development within a restructured Department of Agriculture and Rural Development.

The Rural Development Policy Act combines the Farmers Home Administration (FmHA) and the Rural Development Service (RDS) of USDA, which will function under a new undersecretary of Agriculture for rural development.

SECTION 2 of the bill establishes a high level policy group to be known as the Federal Rural Development Council to assist the Secretary in coordinating a nationwide rural development strategy. The activities of such a council were originally conceived by the Rural Development Act of 1972.

The act mandated the Secretary to assume "responsibility for coordinating a nationwide rural development program utilizing the services of all federal agencies and departments." However, the act did not provide the Secretary with a vehicle with which to accomplish this task.

Under this proposed legislation, the Rural Development Council

would be permanently chaired by the Secretary and be composed of cabinet members and administrators of major independent agencies involved with rural development. It would be mandated to identify and eliminate unmet needs in rural areas and to develop a comprehensive economic development strategy for rural America.

The legislation also provides for increases in the rural development planning grants authorized by Section 111 of the Rural Development Act of 1972. Originally authorized at a level of \$10 million a year, this would be increased to \$50 million. It further provides for the use of "not more than 10 percent of the funds appropriated to support the activities of the Federal Rural Development Council."

The rural planning grant program was unfunded prior to the current fiscal year. For fiscal '78, \$5 million is available for rural planning grants. Companion legislation is to be introduced in the Senate this month.

—Elliott A. Almonte

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Major Rural Housing Gains

WASHINGTON, D.C.—Major rural housing legislation has been authorized by the Senate Banking, Housing and Urban Affairs Committee and the House Banking, Finance and Urban Affairs Committee. The landmark program was originally introduced by Sen. Robert Morgan (D-N.C.) and Reps. Stanley Lundine (D-N.Y.) and Les AuCoin (D-Wis.) as part of the Rural Housing Act of 1978.

NACo has strongly endorsed the act and cited not only its benefits to homeowners, but also its impact on rural economies in terms of jobs and stimulation to industry.

The program creates a new mechanism to enable low and moderate income rural families to purchase housing. The homeowner subsidy for low and moderate income persons for the first time includes a considera-

tion of maintenance and utility costs. Users would be required to pay 15 percent of their income toward home costs.

A major incentive in the program, for both the buyer and the Farmers Home Administration (FmHA), is the "recapture provision." Homeowners purchasing housing would repay a portion of the federal subsidy upon selling their homes. A formula

would be used that would encourage long-term occupancy and improvement in property while avoiding windfall profits at the government's expense.

Under the housing program, FmHA would also use a "replacement reserve." The agency would take a small amount of the homeowner's payment each month, thereby establishing a fund to pay

for large, unexpected expenses relating to homeownership (major replacements, for example). This reserve would thereby avoid one of the major problems that has plagued other homeowner subsidy programs, that is, the inability to pay for major capital in maintenance costs.

The measures will now be voted on by both Houses.

—Elliott A. Alman

NACo Criticizes IRS Proposals for Deferred Comp.

WASHINGTON, D.C.—NACo Executive Director Bernard F. Hillenbrand testified May 4 before a panel of Treasury and Internal Revenue Service officials on proposed regulations which would severely restrict the use of deferred compensation plans for state, county, and city government employees.

Also testifying were 50 other county, state plan administrators, and insurance company representatives. Sheldon I. Weinberg, risk manager for Hennepin County, Minn., pointed out the impact of the proposed changes on his county. He indicated that some 600 county employees and some 25,000 employees of the state of Minnesota, plus employees of some 110 political subdivisions in the state, are deferring their income. The plan has been in operation since May 1973 and the approximate average income of participants is \$16,000, he said.

Hillenbrand, as well as most of the others testifying, voiced opposition to regulations proposed Feb. 3 which require participants to pay current taxes on amounts deferred, rather than when paid—usually at retirement. These regs would become effective 30 days after final publication in the *Federal Register*. He also told members of the panel that "NACo reaffirms its belief that state and local deferred compensation programs are the basic responsibilities of the governmental units operating these plans and that the federal government should not interfere." Hillenbrand requested that the IRS postpone implementation of the regulations until Congress can clarify its intent on this matter and proceed toward a legislative solution.

NACo HAS ALSO requested members of the House Ways and Means Committee to add an amendment to the President's tax reform proposals which would require the Internal Revenue Service to delay plans to regulate deferred compensation plans which states and local governments offer to their employees.

The amendment is contained in H.R. 10746, introduced by Reps. Joe Waggonner (D-La.) and J.J. Pickle (D-Tex.), and has 79 cosponsors. A similar bill was introduced by Sen. Mike Gravel (D-Alaska). There are currently 39 cosponsors. Several other bills have been introduced by other House members.

Action could come on deferred compensation programs this week under the current schedule for markup of the tax bill.

NACo has reviewed a copy of the first tentative draft proposal which Treasury is expected to present before the Ways and Means Committee. Among the major provisions:

- Treasury would limit the amount deferred in state and local government plans to 20 percent of an employee's gross income, and would

apparently require an offset for amounts contributed by the employer for other retirement plans. This limit is considered too low and would be both difficult and expensive to administer. Furthermore, it would not allow the employee nearing retirement, who for the first time could save more, to do so because of the limit.

- The Treasury plan applies a two-pronged "discrimination" test. First, the plan would have to be available to all employees. (Public employee plans are already open to all employees.) Secondly, employees in the top 25 percent of the salary range could not defer more of their wages than the average for their coworkers in the lowest 25 percent range. (Most public plans could not comply with this requirement because career workers are near retirement age and can generally defer payment of more of their salaries.)

- Treasury would require that the plans be "funded," that is, the deferred wages would have to be placed in a separate trust fund which would make payments upon retirement. (NACo believes the requirement is unnecessary because the plans are funded now to comply with state and local laws.)

- Treasury would also require that wages deferred could not be withdrawn before retirement by the employees unless under certain conditions such as disability and/or death. (State and local plans already provide such stipulations.) Also employees would be prohibited from early withdrawals from the plan in very limited circumstances where "financial hardships" such as impending bankruptcy or major medical expenses exist.

NACo has been informed that Treasury is redrafting a legislative proposal for the House Ways and Means Committee and that the final regulations are pending until further Treasury actions.

—Ann M. Simpson



SASSER TO OFFER LOBBY BILL AMENDMENT—Sen. James Sasser (D-Tenn.), right, met with NACo Executive Director Bernard Hillenbrand during the Senate Governmental Affairs Committee markup of the Public Disclosure of Lobbying Act. Sen. Sasser announced that he will offer an amendment in the committee to exclude associations of state and local elected officials such as NACo from registering under the act. (See related article, page 4.)

SEPARATE AUTHORIZATIONS

Aging Bill Still Fragmented

WASHINGTON, D.C.—Both House and Senate committees have completed markup on bills which attempt to consolidate aging services to provide more flexibility and to simplify service delivery. However, separate authorizations for various service categories will continue to impede local decision making.

NACo had urged that a block grant approach to funding the Older Americans Act be employed as a means of providing flexibility for local decision-makers and as a way of giving local elected officials a stronger role in decision-making.

The House bill, H.R. 12255, administratively consolidates into one title community services (Title III), senior centers (Title V) and nutrition

programs (Title VII), but still provides separate authorizations for social services, nutrition, senior centers, home delivered meals, legal and ombudsman services.

Attempts to further fragment the bill were strongly opposed by Rep. Ronald Mottl (D-Ohio). He objected to an amendment by Rep. Mario Biaggi (D-N.Y.) which would have allowed any city of 100,000 or more people to be designated as an area agency on aging. The amendment was defeated.

IN THE SENATE, the Human Resources Committee markup of S. 2850 produced some substantial changes in the bill as proposed.

As originally written, S. 2850 consolidated the administration of Titles

III, V, and VII and allowed a separate authorization of nutrition services.

The bill as reported outlines three priority service categories for community services under the new consolidated title: access services (transportation, escort, information and referral); in-home services; and legal services.

Since the final copy of the bill is not yet available, it is unclear how local communities will be required to respond to these priority categories.

A NACo-supported amendment was approved by the Senate committee which provides that elected officials be represented on areawide advisory councils. There had been no such requirement in the law.

Sen. Edward Kennedy (D-Mass.) tried unsuccessfully to establish a separate meals-on-wheels program with a separate authorization. Strongly opposing this attempt, Sens. Tom Eagleton (D-Mo.) and John Chafee (D-R.I.) argued that the funds for home delivered meals would be available in the nutrition authorization and that counties and cities should be allowed to decide how the nutrition funds would be spent.

NACo's major thrust during markup of reauthorization of the Older Americans Act has been directed toward achieving more consolidation and flexibility at the local level. But the efforts of many private special interests groups to continue categorical services prevailed.

Differences between the two bills will later have to be resolved in conference.

Threat Aimed at Ag Land Bill

WASHINGTON, D.C.—The Agricultural Land Retention bill, H.R. 11122, was expected to be taken up by the full House Agriculture Committee last week. No definite word was available as *County News* went to press.

An attempt to delete county and other local governments from the bill was expected during full House Committee markup. The amendment would delete the demonstration grant program.

The bill would provide voluntary demonstration grants to states, counties, and other local govern-

ments to develop their own programs for encouraging the retention of prime agricultural land. It would also establish congressional and presidential study commission including county and agricultural interests to study the factors contributing to the conversion of prime farmland and methods which could be used to retain it for agricultural use.

The bill contains an express prohibition against federal land use control or any infringement on the responsibilities of state and local governments. This provision clearly

supports NACo policy against federal land use control.

A resolution adopted by the NACo membership at the annual conference last July in Detroit supports legislation like H.R. 11122.

The bill as approved by the subcommittee on the family farm, rural development, and special studies authorized the appropriation of \$50 million per year for four years for state and local grants. A "sunset" provision would end the federal contribution to local efforts after the specified time.

Analysis

Editor's Note: The following article appeared in the May 13 edition of *The New Republic* and is reprinted here with permission.

It's not often that the American Civil Liberties Union raises its voice against a bill with "reform" in the title, but when it does, we should pay attention.

For about three years, the ACLU has waged a campaign against something called the "Lobbying Reform Act," a bill designed to clean up and sweep away some vague evils said to exist on Capitol Hill.

THE ONLY lobbying bill now in force was passed in 1946, a toothless bit of law, its critics say, that asks congressional lobbyists to register, but doesn't ask them to divulge much information. It does not provide for enforcement, either, and it is widely ignored.

The Lobbying Reform Act of 1978 would make up for these inadequacies with a vengeance. One version of it passed the House on April 26 by a vote of 259-140, and a second version with more demanding standards for public disclosure will be taken up in the Senate. It is expected to pass easily. (See related story.)

David Landau of the ACLU's Washington office called the bill "a mess" and said it would create "an IRS for lobbying."

HE BELIEVES that some of the reporting requirements will have a "general chilling effect" on peoples' inclination to lobby Congress.

The burden of complying with the new law, he believes, would not be very great for large public interest lobbies like the ACLU, but it would represent a considerable and discouraging burden for marginal lobbies, small businesses and unions, churches and some environmental groups.

The law empowers the comptroller general—an agent of Congress—to conduct investigations of lobbyists to find out whether they have filled out their forms correctly and made public all the information that is required of them. His authority will be backed up with criminal sanctions, the maximum penalty for deceiving him being two years in prison. This will lend the lobby regulations an intimidating force they have not had before.

THE FIRST THING wrong with the bill, in Landau's opinion, is that it attempts to register not just groups that lean directly on congressmen and their staffs, but also those that lean indirectly—the ones that stir up the voters and get them to write letters to Congress. The traditional sort of lobbying is thought to require close scrutiny and regulation because it's sort of a cheat on the democratic process.

THE LOBBYING BILL

'A 36-Page Exception to the First Amendment'

But getting citizens stirred up about the issues is precisely the kind of pressure politics one wants to encourage in a democracy. It is a misnomer to call it lobbying. In his testimony on the bill this year, Landau said, "We believe that if there is any abuse or appearance of abuse in lobbying, it is to be found in gifts and direct contacts with members of Congress ...," not in "the advocacy of ideas."

Yet the new bill (S. 2971)—sponsored by Sens. Ribicoff, Kennedy, Clark, Stafford, Percy and Javits—would require political pamphleteers to register as lobbyists and file quarterly reports on their activities.

HERE IS HOW it would work. If an organization were to spend more than \$5,000 in one quarter-year to send out a "lobbying solicitation" (by which the law means a political ad, a letter or telegram urging someone to write to Congress), and if the solicitation reached 500 people, 100 employees, 25 officers or 12 affiliates of the organization, then the organization would have to register as a lobbyist.

This would mean, for example, that any group buying a half-page political ad in *The New York Times* or *The Washington Post* automatically would have to register and file a report. Any group that spent \$5,000 in a quarter to send out a newsletter urging 500 members or more to write Congress would have to do the same. This change in law would sweep under the lobby regulations many activities that were not considered to be lobbying before.

IN ADDITION, the bill would expand the coverage of traditional lobbies. The Senate bill would bring under regulation any group that employed someone who, in his official capacity, made 15 or more "oral lobbying communications" in one quarter. A lobbying communication is a message "directed to a federal officer or employee to influence the content or disposition of any issue before Congress...." Any group that spent \$1,250 a quarter to hire an

agent to lobby Congress also would have to register, as would a group that employed one person who spent 24 hours in a quarter drafting and sending messages to Congress.

The bill focuses primarily on groups, and does not require that names of lobbying group members be made public, except for the names of those who act as lobbyists or direct lobby groups.

THE ACLU'S second complaint about the bill is that it's snarled and complex. Someone has called it a 36-page exception to the First Amendment, and it is a terribly muddled one at that. One shudders to imagine the bureaucracy it could give birth to.

For example, the bill proposes to create two reporting forms—a long one and a short one. This was intended to make it easier for small groups to file their papers, but the real effect may be to force each group to hire a lawyer to find out which category it falls into. As time goes by, the bill inevitably will be amended and lengthened. Exceptions may be added and dropped. It is conceivable that a legal industry will spring up around lobby law just as one has bloomed around the election reform act, the equal employment laws and the environmental protection regulations.

If this happens, the nuisance of filling out lobby reports will not encumber the large corporations at all, though they are the groups the bill really is meant to monitor. It will not interfere with the established labor or public-interest groups that already know their way through the maze. But it might develop into a barrier against newcomers. It could raise the admission fee for those who want to lobby Congress. And that would diminish free speech.

The ACLU is upset that Congress would tinker with the First Amendment in this way without first making an inquiry into the alleged abuses that need reforming. There were several hearings in the committees that wrote the bill, but they were used to gather opinions, not to elicit evidence of corruption or misbehavior

by lobbyists. Instead, the drafters of the bill set to work on the assumption that public disclosure is good in itself.

EVEN IF there were nothing more than a suspicion of wrongdoing in the air, they decided, the best remedy is to put tons of data in public files. This busy work is intended to "restore public confidence in government," as the refrain goes. The same assumption underlies several reforms enacted in recent years, including those that require congressmen to file public reports on the source of their campaign funds and on their personal finances. The chief promoter of these disclosure laws has been Common Cause, the group that calls itself the "citizens' lobby" for good government.

Michael Cole, a Common Cause staffer who has worked for three years to get the lobby bill enacted, agreed last week that no one has documented the existence of any corruption in lobbying. However, he said, the purpose of the reform bill was not to stop corruption, but rather, to educate the public. Anyone who is interested should be able to find out how much is spent to influence Congress, who spends it and for what purposes. That's an understandable goal.

BUT WHY must the government also keep files on what Common Cause refers to as "indirect lobbying"—the buying of newspapers, ads and publishing of newsletters? Cole's answer is that indirect persuasion is the "growth area" of lobbying today.

Corporations and business groups have followed the example of labor unions and other interest groups and begun to spend large sums on political agitation. Common Cause thinks that anyone should be able to look in the public files and learn how much Mobil spends each year to mold political opinion.

Cole dismissed the argument that filing reports on such spending would work a hardship for small organizations. He said the reporting requirements are so slight that he couldn't imagine anyone being scared off by the work or by the complexity of the law. Anyone who's seriously interested in lobbying, he said, will not find this to be an obstacle.

The Lobby Reform Act has been softened considerably since it was first proposed by Common Cause. The original plan would have required all lobbyists to keep full records on every congressman or congressional aide they contacted while plying their trade. This would have presented a monumental task not only for the lobbyists but also for the recordkeepers. This discarded idea is now referred to as Common Cause's encyclopedia-of-lobbying bill. It was trimmed back to become the more reasonable bill that is before Congress today.

But it could stand some more trimming. The first cut should take out the clause that would create a file on indirect lobbies.

—Eliot Marshall

MEMBERS INVITED

CD Affiliate Formed

WASHINGTON, D.C.—In March the NACo Board of Directors approved the establishment of an affiliate, The National Association of County Community Development Directors, to "stimulate and contribute to the effective implementation of county community development and assisted housing programs."

In the wake of the board's action the process for receiving applications for membership has now begun.

Active membership in the affiliate is open to the principal community development staff person of a county, or his or her designee, provided the county is a member of NACo. County officials meeting this criterion who wish to be members of the affiliate must submit their name to John Murphy at NACo no later than June 2.

THE JUNE 2 deadline has been established to permit time for nomination and election of a president, vice president, a six-member board of directors and an affiliate representative to the NACo Board of Directors, prior to the NACo Annual Conference in

July. The election will be conducted by mail ballot during the month of June.

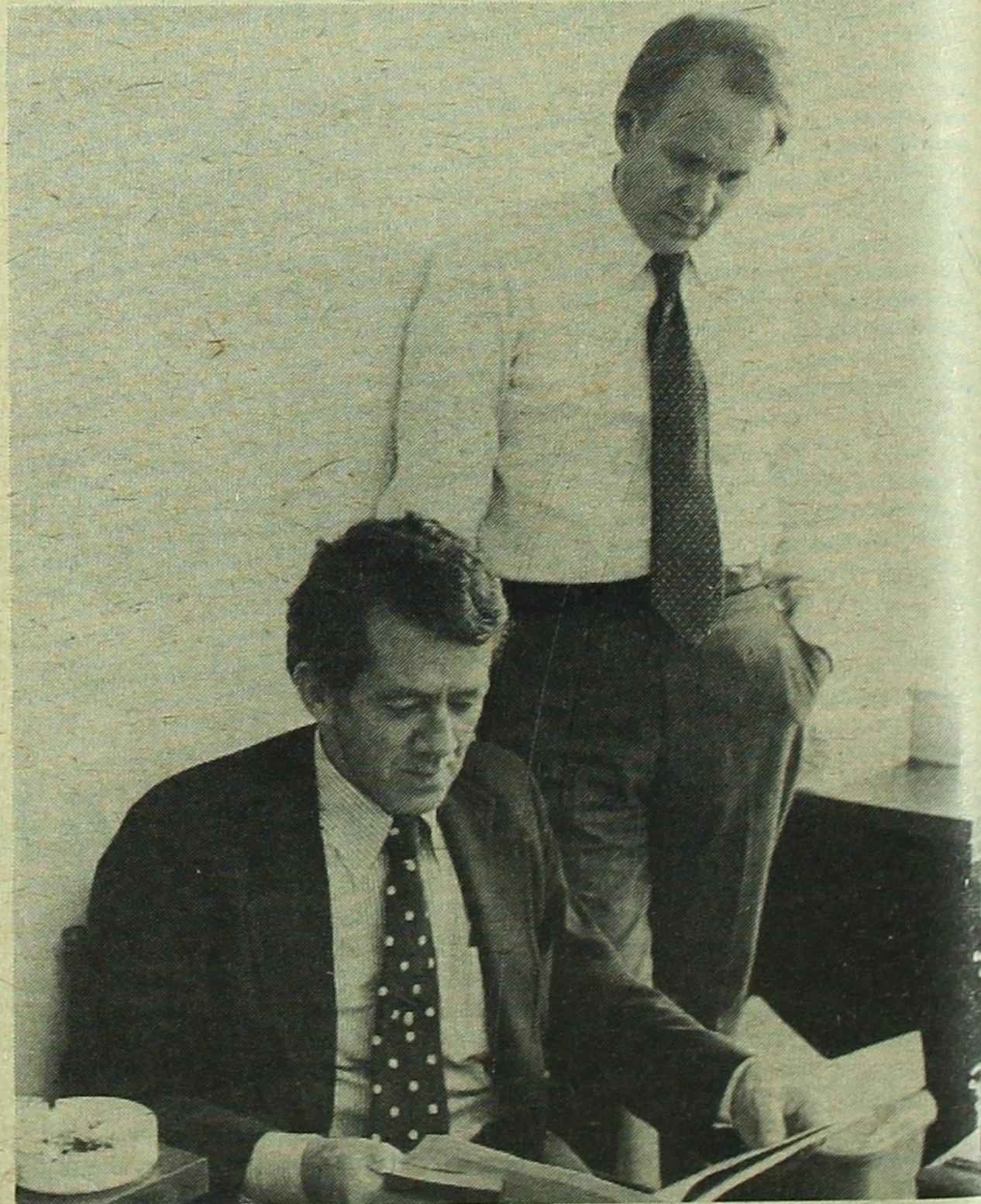
According to the bylaws of the affiliate, the chairman of NACo's Community Development Task Force William Dodge, Jr., special assistant for community development, Allegheny County, Pa., has appointed a three-person nominating committee: Jack Lynch, director of planning and community development, King County, Wash.; Mary Kane, community development coordinator, Madison County, Ill.; and Ron Roaks, community development coordinator, Onondaga County, N.Y. The committee will meet during the week of June 5 to select nominees from among active members of the affiliate.

The movement to establish the National Association of County Community Development Directors grew out of the deliberations by delegates to NACo's Second Annual Urban County Community Development Conference held last November in Los Angeles. There the delegates unanimously voted to seek approval for the affiliate from the NACo board.

SINCE 1975 there has existed within NACo an Urban County Community Development Task Force composed of a group of urban county community development directors which advises the NACo Community Development Steering Committee and staff on technical matters arising from implementation of the community development block grant and assisted housing programs.

The task force, itself, however, perceived a need of a more formal and permanent structure within NACo to provide a forum for sharing information and experiences among counties about community development and housing programs, advising the steering committee on policy matters and serving as a vehicle for communicating such information, experiences and policies outside of NACo.

Although the focus of the affiliate will be on those counties—urban and discretionary—participating in HUD's community development block grant and assisted housing programs, eligibility is open to the community development staff person from any member county carrying out community development and housing programs.



PRESIDENTIAL APPOINTMENT—Employment rights for handicapped individuals was the theme of a recent meeting of the President's Committee on the Employment of the Handicapped. NACo's representative on the committee is John Driscoll (seated), commissioner, Rockingham County, N.H. Here he is going over the agenda with Mike Gemmell, NACo staff liaison to the committee.

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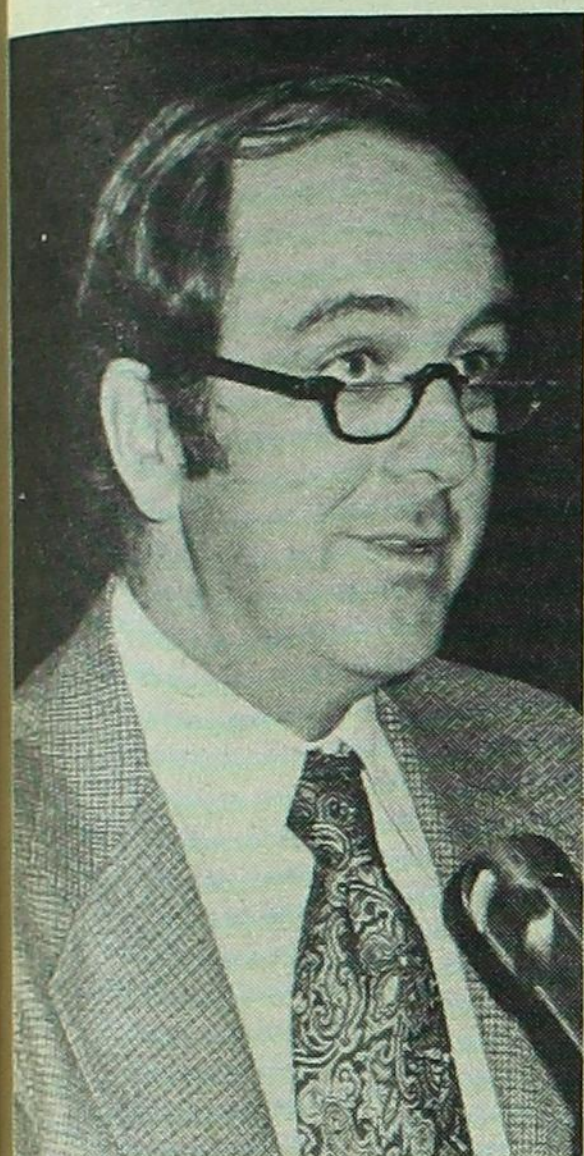
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NACo TESTIFIES IN HOUSE

Congress Urged to Reenact Countercyclical



Klein

WASHINGTON, D.C.—If the current countercyclical antirecession aid program is allowed to expire in September, "it would spell economic chaos for many of our counties," Suffolk County (N.Y.) Executive John V.N. Klein told a House subcommittee recently.

He cited the county unemployment rates for Suffolk (8.8 percent), Nassau (8.9 percent), and Erie (9.5 percent) as evidence of the need for this kind of assistance in New York State. He further noted the unemployment problems of many of the state's rural counties, such as Franklin (14.1 percent) and Clinton (12.5 percent) and the difficulty of obtaining unemployment information for rural areas.

Klein testified before the House Government Operations subcommittee on intergovernmental relations and human resources.

THE ADMINISTRATION has proposed a two-year extension of the program at an annual funding level of \$1 billion. The Administration proposal, entitled "The Supplemental

Fiscal Assistance Act of 1978," H.R. 12293 would make significant changes in the formula for distributing the funds and the eligibility of state and local governments.

"County officials strongly support the countercyclical program as an effective and proven means of targeting funds to needy communities. We urge the committee to make this a permanent program of assistance," Klein told the subcommittee.

In discussing the formula for distributing the funds, he noted the high degree of targeting in the existing program and the fact that over 90 percent of the funds currently go to communities where unemployment exceeds 6 percent.

Currently, local governments must have unemployment levels over 4.5 percent, and the national average must exceed 6 percent, to receive countercyclical funds. The new bill would utilize factors such as local rate of population growth, employment growth, and per capita income growth, to determine eligibility. Unemployment would only be one component of the formula, and the

national trigger of 6 percent unemployment would be deleted.

KLEIN STRESSED the need for detailed information on the new formula indicating its effect upon participants in the program. He also took issue with the status of state governments. States are eligible in the current program and receive one-third of the funds. The new bill would remove the states from eligibility.

Klein told the subcommittee that removing the states would also hurt many local governments. New York State "passes through" its countercyclical funding to local governments, and approximately \$74 million in state countercyclical funds would go to the 57 counties and New York City to cover the cost of the local share of Supplementary Security Income (SSI).

Klein also noted the problems faced by many communities as a result of changes adopted by the Bureau of Labor Statistics (BLS) in calculating unemployment rates.

THESE CHANGES, designed to make the statistics more accurate,

resulted in major changes in the unemployment rates of many local governments. The changes, produced not by actual economic changes but by changes in the method of calculating the data, significantly affects assistance provided by all federal programs dependent upon unemployment statistics.

He urged the committee to adopt a hold harmless provision to protect those local governments hurt by such changes in the method of calculating data. San Diego and Alameda, Calif., for example, experienced almost 2 percent decreases in unemployment rates under the new method, and lost \$1.3 million and \$949,784 respectively in countercyclical funds. Milwaukee County, Wis. decreased from 5.7 percent to 4.2 percent and thus became ineligible to participate.

The current national unemployment rate is 6 percent. The trigger in the current formula will turn the program off when it falls below 6 percent for a quarter or the last month in a quarter.

—Elliott Alman

STATUS REPORT:

Administration's Urban Policy Initiatives

Initiatives Sent to Capitol Hill	Implementing Agency	Status
\$1 billion Supplemental Fiscal Assistance Program (2 years)	Treasury	Hearings in House May 4, 5, 9; Senate May 3.
\$200 million Intermodal Transportation Program	DOT	Needs appropriation.
\$150 million increase in Section 312 Rehabilitation Loan Program	HUD	Approved by House committee May 4; approved by Senate committee May 5.
\$50 million increase for Community Health Center Program	HEW	
\$40 million Urban Volunteer Corps Program	ACTION	Approved by House, Senate committees week of May 5.

Initiatives Undergoing OMB Clearance (to be sent to Hill by May 15)

\$3 billion Labor Intensive Public Works Program (3 years)	Economic Development Administration
\$150 million Urban Parks and Recreation Program	(Not Decided—Interior or HUD)
\$150 million increase in Title XX Social Service Program	HEW
\$20 million "Livable Cities" Arts Program	HUD with National Endowment for Arts
\$15 million Neighborhood Self-Help Program	HUD
\$25 million Air Quality Planning Grants	Environmental Protection Agency
\$200 million State Incentive Grant Program (2 years)	HUD

Initiatives Submitted to OMB for Clearance by May 15

National Development Bank (Includes \$275 million for Urban Development Action Grants and \$275 million for EDA's Title IX)	Interagency (HUD, Commerce, Treasury)
\$10 million Community Crime Control Program	LEAA/ACTION
Differential Investment Tax Credit for Business	Treasury
\$1.5 billion Employment Tax Credit for Business	Treasury

Initiatives Not Requiring Congressional Action (done through Executive Order)

Location of Federal Facilities in Central Cities	GSA	Order being drafted.
Targeting of Federal Procurement in Labor Surplus Areas	GSA	Order being drafted.
Community Impact Analysis for New Legislation	OMB	Order being drafted.

Eligibility Analyzed

Continued from page 1

President Carter in his national urban policy, and is intended to provide private sector jobs for the long-term unemployed in the rehabilitation and repair of existing public facilities.

SPECIFIC ELEMENTS of the proposal include:

- A requirement that at least 50 percent of the workers hired for a project be long-term unemployed persons who have been out of work for 15 of the last 20 weeks;
- At least 20 percent of the total program funds nationally must be expended through minority businesses. This requirement may be varied locally depending on the availability of minority contractors;
- A 10 percent local cash match-share for each project;
- Each project must have a labor-intensity ratio (wages to total project cost) of at least 50 percent but no more than 80 percent;
- At least 80 percent of the total program funds nationally will be expended by contract to the private sector;
- At least 20 percent of the program funds nationally will be expended on force account work.

The \$1 billion to be made available for each of three years will be allocated among the states on the basis of unemployment, with each state getting at least \$2.5 million but no

more than \$125 million. Unemployment rates will be based on the average rate for the most recent 12-month period for which data is available.

County governments will be allocated funds through a planning target for qualifying units of local government below 50,000 population, special-purpose districts and county-wide school districts. School or other special districts within cities of over 50,000 will receive an allocation from the city's.

Local government applications will be required to develop an "Action Program," in consultation with local manpower organizations, labor unions and contractors associations, that will include specific projects and the units of local government carrying them out, the process for recruiting and certifying the long-term unemployed, plans for assuring minority business participation, and plans for assuring participation of private contractors. The action plan would have to be approved by EDA.

Congressional consideration of this proposal, as well as a possible Round III of the original public works program, is expected shortly.

Title XX

Continued from page 1

be sent to Capitol Hill in a week.

AT A WHITE House meeting of state, county, city and social services agency representatives on May 10, those present, including NACo, urged the Department of Health, Education and Welfare to reconsider its opposition to the ceiling increase and work with those concerned to fashion an acceptable proposal. There was agreement by those at the meeting that the proposal was unacceptable.

State representatives expressed strong opposition to the proposal which they said would tie their hands in meeting needs as determined at the state level. When asked for specific information which would document the need for such a highly targeted program, HEW officials said they did not have any such data. NACo will continue to press for a permanent increase in the ceiling. Both House and Senate budgets for 1979 contain the needed \$200 million.

—Aliceann Fritschler

Midwest Aging Group Formed

County officials in the Midwest may be interested in joining the Mid-America Congress on Aging (MACA). Based in Lincoln, Neb., MACA is a nonprofit membership organization open to all those who share an interest in the field of aging.

For a \$20 membership fee, members receive a newsletter and other printed materials as well as become eligible to participate in committee meetings, workshops, and MACA's annual convention.

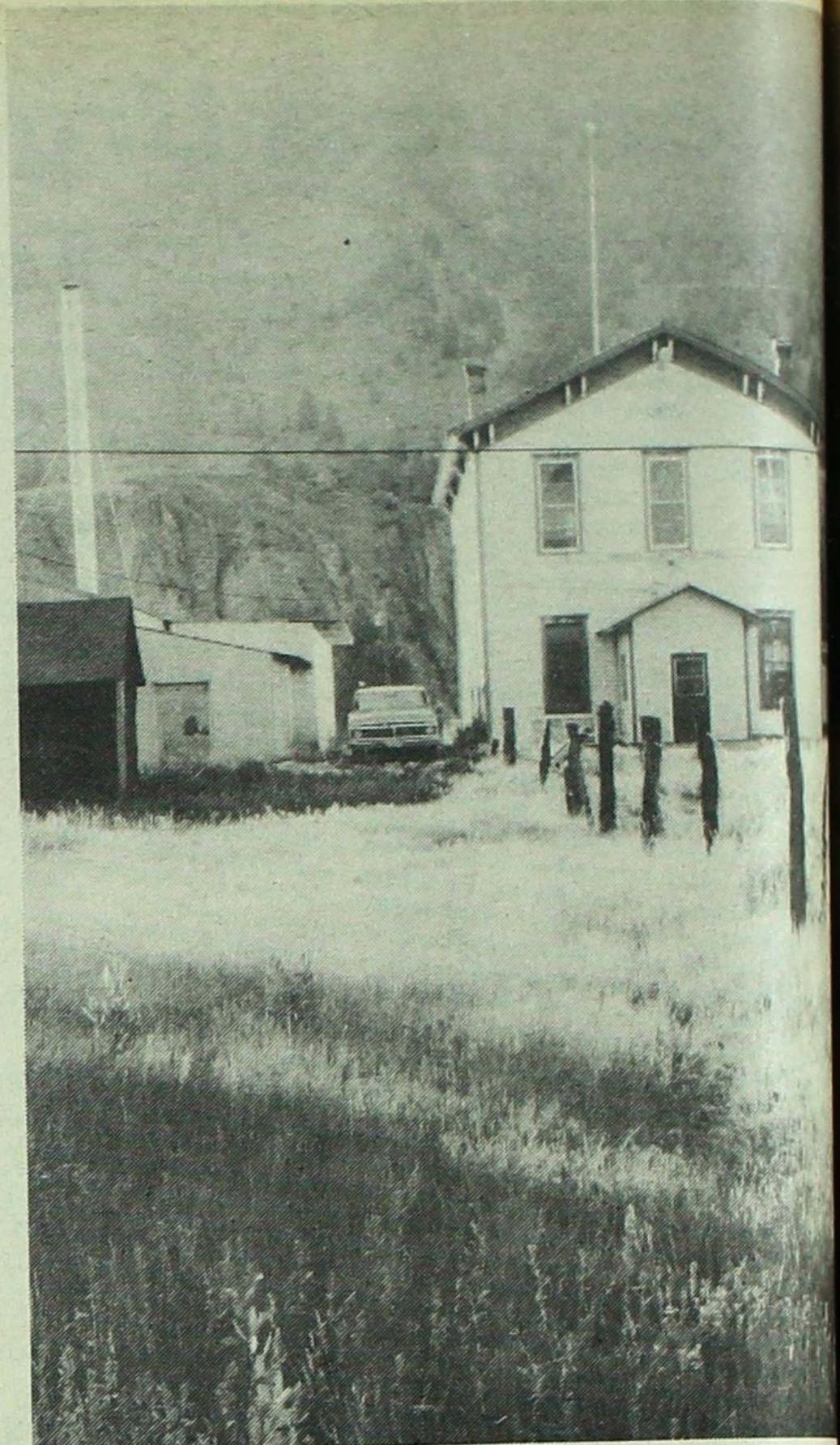
Jaques O. Lebel, MACA's executive vice-president, says that about 300 people attended the last convention in Kansas City, Mo.

For more information, contact Jaques O. Lebel, Executive Vice President, MACA, P.O. Box 95103, Lincoln, Neb. 68509.



Grady County Courthouse, Cairo, Ga.

Photo by Jim Dow



Hinsdale County Courthouse, Lake City, Colo.

Court House

A Photographic Document

A photographic documentation of the county courthouse as it represents the aspirations and architecture of the people and the times will be hosted by NACo May 17 to June 6 at its headquarters.

The 120-photo exhibit will travel throughout the United States for two years following the Washington show. An identical exhibit will be traveling also.

Editor of the photographic exhibit and subsequent book is Richard Pare. The courthouse documentation project was commissioned by Joseph E. Seagrams, Inc. and initiated by architect Phyllis Lambert. Twenty-four photographers took over 8,000 photographs from which Pare selected the contents of the exhibit and the 300 photos used in the book.

NACo Executive Director Bernard F. Hillenbrand praised the exhibit and commented: "County courthouses have been witness to everything from the sale of the *St. Louis Post Dispatch* to lynch mobs. Everyone of us has a lifetime relationship with the county courthouse or, as it often is called now, the county building.

"Our birth is recorded there; then records of taxation and ownership; and ultimately of death. Many of our needs are supplied through the county beginning with preschools and ending with day care centers for elderly. Counties have broken fresh ground in criminal justice with centers for victims of crime—the rape victim, the abused child or spouse. This photographic collection gives us a sense of history and permanence during constant change."

The photos have been described by John Szarkowski, director, Department of Photography, The Museum of Modern Art, New York, as "original, intelligent and useful architectural documentation of recent years...exemplary of the social and artistic history of this country."

The introductory texts of the book, *Court House*, are by Lambert and Pare.

The Honorable Paul C. Reardon, associate justice of the Supreme Judicial Court of the State of Massachusetts (Ret.), writes on the origins of the county court system and how it was shaped by the English system. He goes on to write about the Colorado Cannibal, Lizzie Borden, and other famous trials.

New Yorker writer Calvin Trillin discusses the folklore of counties and the characters who made that lore.

The book concludes with an essay by architectural historians Henry-Russell Hitchcock and William Seale, who studied the courthouse as a national entity.

The exhibit is traveling under the auspices of the American Federation of Arts and the National Trust for Historic Preservation.

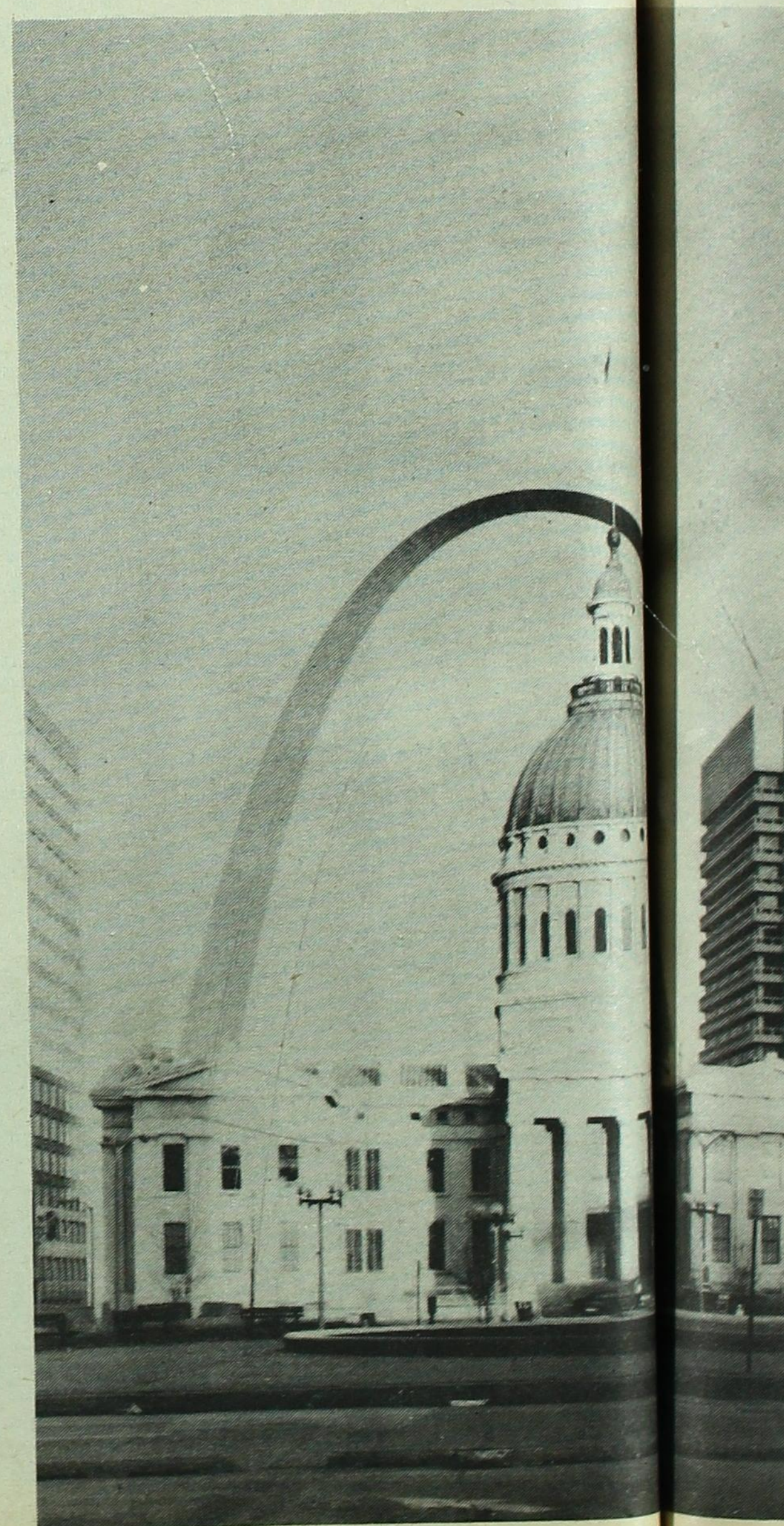
Counties interested in hosting the exhibit should write: The American Federation of Arts, 41 East 65th St., New York, N.Y. 10021, attn: "Court House" Exhibition, for scheduling and display requirements.

A state by state list of photos in the exhibit follows:
ALABAMA: Greene, Morgan, and Pickens counties;
ARKANSAS: Yell County; CALIFORNIA: Colusa, Marin, Mono, Placer, San Joaquin, and Santa Barbara counties; COLORADO: Bent, Chaffee, El Paso, Hinsdale, and San Juan counties; FLORIDA: Wakulla County;

GEORGIA: Banks, Grady, Greene, Hancock, Johnson, Pike counties; ILLINOIS: Macoupin, De Kalb, and Scott counties; INDIANA: Allen, Clay, Elkhart, Floyd, Howard, Huntington, Rotunda, Knox, Parke, Starke, Steuben, Tippecanoe, Union, and Hancock counties; IOWA: Davis and Woodbury counties; KENTUCKY: Harlan and Jefferson Counties; MARYLAND: Anne Arundel and Frederick counties; MASSACHUSETTS: Bristol, Hampden, Plymouth, Suffolk, and Worcester counties; MICHIGAN: Wayne County; MINNESOTA: Hennepin and Ramsey counties; MISSISSIPPI: Tate County; MISSOURI: Moniteau, St. Louis, and Warren counties; NEVADA: Storey County; NEW HAMPSHIRE: Grafton County; NEW JERSEY: Essex County; NEW MEXICO: Lincoln County;

NEW YORK: Monroe and Schoharie counties; NORTH CAROLINA: Cabarrus, Caswell, and Davidson counties; OHIO: Delaware, Licking, Meigs, Miami and Shelby counties; OREGON: Malheur County; PENNSYLVANIA: Allegheny, Berks, and Northampton counties, and Philadelphia (city); SOUTH CAROLINA: Charleston, Chester, Edgefield, Georgetown, and Newberry counties; TENNESSEE: Carroll and Gibson counties;

TEXAS: Denton, Ellis, Hill, Hopkins, Lavaca, Parker, Shelby, and Tarrant counties; UTAH: Salt Lake County; VERMONT: Grand Isle County; VIRGINIA: Albemarle, Frederick, Hanover, and King William counties; WASHINGTON: Grays Harbor County; WEST VIRGINIA: Hampshire and Lewis counties; and WISCONSIN: Trempealeau County.



Old St. Louis Courthouse, St. Louis, Mo.



Essex County Courthouse, Newark, N.J.

Photo by Stephen Shore



Shelby County Courthouse, Center, Tex.

Photo by Geoff Winningham

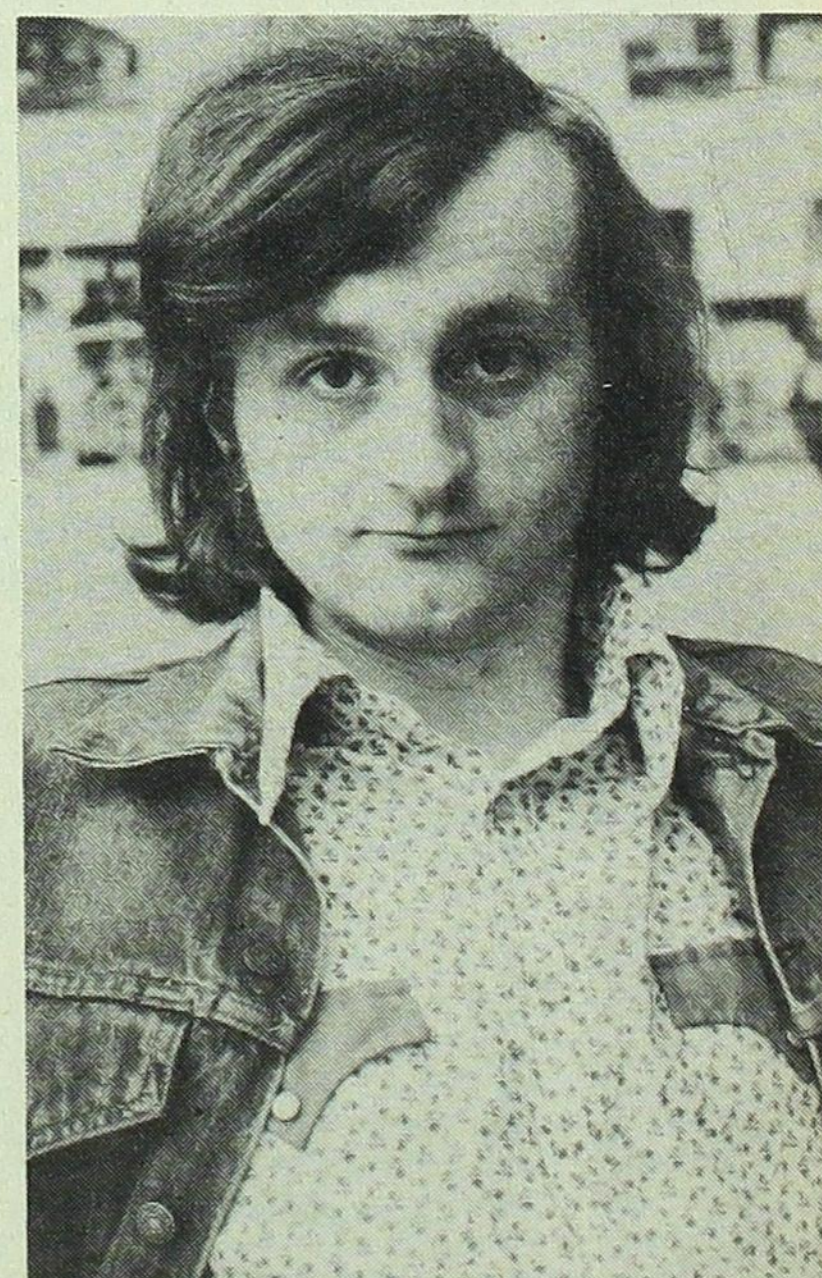
Richard Pare

Richard Pare was born in Portsmouth, England in 1948. He studied at the Canterbury Choir School and at Brighton College. Later he attended the Winchester School of Art and received his B.F.A. in graphic design from Ravensbourne College of Art and Design of England.

He came to the United States in 1971 and attended the Art Institute of Chicago, where he received his M.F.A. degree in photography in 1973.

Pare has taught at the Art Institute of Chicago, Columbia College in Chicago, and was a Mellon Foundation Visiting Lecturer in Cooper Union, New York City. He began working on the documentary project, "Court House," in 1975—a project undertaken as a lasting contribution to the U.S. Bicentennial by Joseph E. Seagram & Sons, Inc.

Pare's first exhibition was in 1972 in the Winchester School of Art, England. Since then, his work has been exhibited at the Art Institute of Chicago, the McCord Museum in



Richard Pare

Montreal and the old courthouse in St. Louis, Mo.

He has published articles on criticism in "The New Art Examiner" in Chicago and on "The Courthouse" in the "Historic Preservation" autumn issue, 1977.



Photo by Richard Pare

EPA'S NEW WATER RULES

How to Spend \$24.5 Billion

WASHINGTON, D.C.—The Clean Water Act of 1977 increased federal funding for building sewage treatment facilities and gave states and local governments more flexibility in how to spend that money. The Environmental Protection Agency has just announced regulations (*Federal Register*, April 25, 1978) implementing the law that will affect the way local governments spend the \$24.5 billion authorized for the next five years.

EPA has set forth proposed regulations for those portions of the wastewater construction grants program which apply to funds available for fiscal '79 and beyond. Interim final regulations are now effective for those portions in which delay in promulgation of the rules would affect the flow of current funds. EPA has been criticized in the past for impeding the processing of grant applications while regulations were being rewritten.

Some highlights of proposed and interim final regulations important to counties are summarized below.

Proposed Regulations

Alternative and innovative technologies. In its review of the construction grants program, Congress found that many communities were forced into building large conventional sewage collection and treatment plants they could not afford. The environmental costs and benefits of such complex centralized systems were also questioned.

To encourage the use of wastewater treatment technologies which are less expensive, reclaim water, recycle sewage constituents or conserve energy, the new law provides an extra 10 percent funding (from 75 percent to 85 percent) for treatment works that use innovative or alternative technologies. This extra money will be available for projects using fiscal '79 money, which could include supplemental grants to projects funded in fiscal '78. The law also requires all facility plans funded after October 1978 to consider these technologies as options.

The definition of "innovative" and "alternative" is critical because it could mean the difference between a local share of 25 percent and one of 15 percent.

The proposed regulations define alternative technologies as those which meet such national goals as cost reduction, resource conservation or reuse, and which have been proven by use in actual situations. This includes such methods as land treatment, direct reuse, aquaculture, co-disposal of sewage sludge and refuse, or on-site disposal processes like septic tanks.

Innovative systems are those methods which have not been fully proven under the circumstances of their proposed use. To be con-

sidered innovative, the technology must meet at least one of six criteria:

- Be at least 15 percent less costly than the most cost-effective conventional method;
- Have energy requirements at least 20 percent less than the most cost-effective conventional method;
- Reduce the susceptibility of the plant to failure or require less operator skill or attention;
- Provide for better management of toxic substances;
- Improve environmental quality through water conservation, air pollution abatement or reduce resource use; and
- Improve joint management of industrial and municipal waste.

Thus, a technology can be "conventional" (use biological or physical/chemical method discharging to surface waters) and still be considered "innovative" by meeting the cost or energy criteria above.

If at least 50 percent of the sewerage project is innovative or alternative, EPA is proposing to fund the entire project at the 85 percent level (excluding sewers in most cases). Otherwise, the 85 percent grant will apply only to those nonconventional components.

The accompanying chart explains the process for determining the federal funding level of a proposed project.

By definition, new technologies are risky. To encourage local governments to take the chance of investing in them, EPA will pay all costs needed to replace an alternative or innovative system which fails within two years of completion.

Recreation and open space. The law requires wastewater treatment facility plans to analyze potential open space and recreational opportunities such as bicycle paths over sewer routes. EPA is proposing to apply this requirement only to those plans initiated after the end of fiscal '78. EPA is also studying its policy on funding these multiple purpose projects.

Pretreatment. Since all industrial wastes are not compatible or are treated by municipal plants, many industries must pretreat their waste before discharging to a public system. The proposed regulations would require the development of a pretreatment enforcement program by the local government as a condition of a construction grant award, if the plant serves industries and if areawide (208) planning does not provide such a program. Pretreatment programs would be grant eligible at any step of the grant process, and must be approved by EPA before the payment of the final 10 percent of the federal share. Many municipalities are already developing these programs, either on their own initiative or in response to the pollution discharge permits of

their plants. Although work completed to date would not be grant eligible, 75 percent of the cost of any further development would be reimbursable.

Interim Final Regulations (effective April 25, 1978)

Individual systems. The 1977 act authorizes grants for privately owned treatment works serving one or more residences or small businesses to abate existing pollution problems. However, a public body must apply for the funding and guarantee proper operation. The act requires commercial users to pay back the federal share. The new regulations define "commercial" to include nonprofit institutions such as hospitals, churches and schools. If alternative or innovative systems are chosen, 85 percent grants will be available. However, nonconventional technologies for these private systems will not be eligible for the 15 percent cost-effectiveness preference given to public systems. A minimum monitoring program of potable water well sampling will be required to ensure groundwater contamination is not occurring.

Combination grants. Construction grants are usually awarded in three separate stages, but the new act allows the combination of the design and construction stages (Steps 2 and 3) for projects serving communities under 25,000 if they cost less than \$2 million, or \$3 million in states with high construction costs. EPA has indicated that Alaska, Hawaii, Illinois, Minnesota and New York meet this high cost criterion. Combination grants will ease paperwork burdens and speed the grant procedures for small communities.

User charges. The 1977 act permits user charges for sewer systems to be collected through ad valorem taxes, if the public entity had dedicated a portion of tax revenues for the operation and maintenance of treatment works in the area by the date of passage of the Clean Water Act (Dec. 27, 1977). The new regulations detail these "dedication" criteria. If a construction grant has already been awarded, a grantee wanting to develop an ad valorem system must get permission from EPA by July 25, 1978, and develop the system by July 1, 1979. For grants awarded after April 25, 1978, grantees must have their user charge system (ad valorem or actual use) approved by June 30, 1979. Severe financial sanctions are in store for those not complying.

Reserve capacity. Congress required EPA to consider efforts to reduce water consumption and sewage flow when approving the amount of reserve capacity to be built into a

sewage system. Analysis of flow reduction measures is to be part of all facilities plans, except in communities with an on-going program, or where the per capita water consumption is less than 70 gallons per day. Communities of less than 10,000 people are also exempt.

Open Discussion

Cost-effectiveness analysis and the discount rate. Cost-effectiveness analysis is a process through which all treatment alternatives can be reduced to a "common denominator" and their relative costs compared. The analysis assumes money not sunk in a sewage treatment plant would be invested at the prevailing interest or "discount" rate. For its cost-effectiveness analysis requirements EPA has mandated the use of the discount rate set by the Water Resources Council, also used to evaluate federal dams and other water projects. The current rate is 6-5/8 percent.

EPA is now considering raising its rate for the wastewater construction program to 10 percent. Use of this higher rate would favor the choice of slightly smaller treatment plants; therefore, the grant money could be used to build a larger number of projects. Because the higher rate would weight the analysis in favor of technologies with higher operation and maintenance costs, the 15 percent cost preference for alternative and innovative methods having low operation and maintenance costs would be offset.

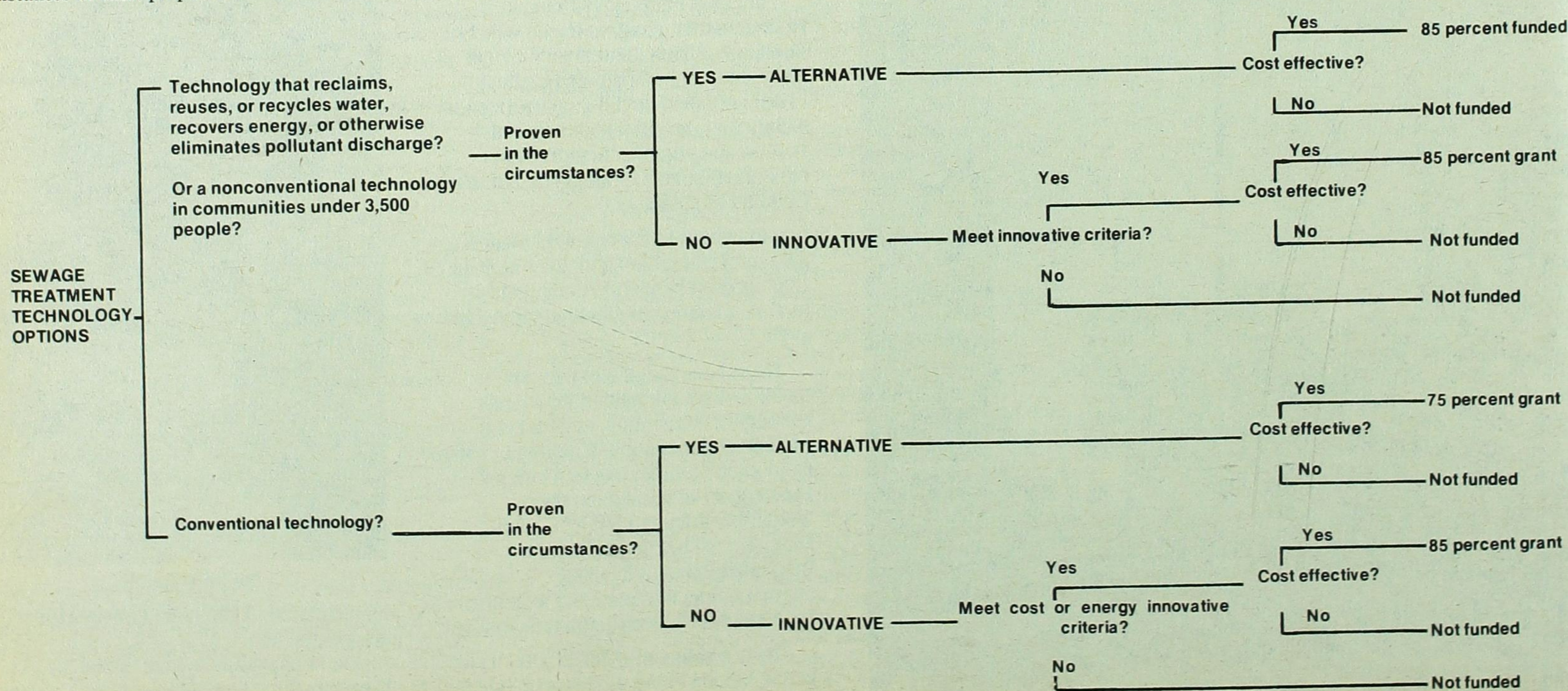
EPA is soliciting comments on the discount rate hike, although it is not proposing to change it at present.

County Comments Needed

EPA is accepting public comments on all these issues until June 30. Public meetings will be held at all 10 EPA regional offices. A number of multi-region conferences are scheduled for May and June, produced by the American Consulting Engineers Council and co-sponsored by NACoR and other associations.

The regulations for the construction grants program are considered to be the most detailed and complex of any federal program. For two years, NACoR's Water Quality Project has been advising EPA on its implementation, and NACoR was intensely involved in the passage of the Clean Water Act Amendments of 1977. Both of these efforts focused on the elimination of red tape, duplicative paperwork, flexibility at the local level, and on relieving some of the financial burdens on local governments.

NACoR wants to hear your comments on the regulations EPA has developed to implement congressional action. For copies of the regulations, or information on how they would affect your county, contact Mary Reardon, NACoR Water Quality Project director.



ALTERNATIVE OR INNOVATIVE SEWAGE TREATMENT TECHNOLOGIES: The path to increased federal funding.

WATER CUT

Panel Votes EPA Money

WASHINGTON, D.C.—The House Appropriations subcommittee on Housing and Urban Development (HUD) and independent agencies voted appropriations for air, water, and solid waste programs administered by the Environmental Protection Agency (EPA) last week. In a meeting, opened only to subcommittee members and congressional staff, significant changes were made in the Carter administration budget.

WATER QUALITY

The subcommittee, chaired by Rep. Edward Boland (D-Mass.), cut the Administration's request for the wastewater construction grants program by \$300,000, to \$4.2 billion for fiscal '79. The cut was reportedly made because the subcommittee was not convinced that the federal government ought to fund advanced waste treatment facilities or possibly other post secondary treatment methods during the next fiscal year. NACo supported the Administration's request.

Fiscal '79 funding for the Section 208 water quality management planning program was put at \$25 million, 50 percent less than requested in the Carter budget. This amount is in addition to \$69 million for fiscal '78 which is now being available to 208 agencies, states, and local governments. The subcommittee reportedly made this cut pending an agreement between EPA and the Office of Management and Budget (OMB) on federal administrative management objectives for the future of the 208 program. NACo supported the appropriation of \$50 million for the 208 program.

CLEAN AIR

The 1979 Carter request of \$25 million for Section 175 grants to assist local governments and organizations of local elected officials with clean air planning was approved for fiscal '79.

An additional \$25 million for 1979 was provided to be split between clean air and solid waste programs. Clean air funds would be appropriated under Section 175 and would be available to local governments. Funds for the solid waste program would be appropriated for use by state and local governments under Section 4008 of the Resource Conservation and Recovery Act of 1976. EPA would decide the portions available for each program.

Funds under Section 4008 could be used for a variety of planning and management studies, including the grading of open dumps, market studies, collection plans, and facility plans.

Rep. C.W. Bill Young (R-Fla.) sought an additional \$25 million to supplement a 1978 appropriations request for Section 175 grants. The amendment, which lost on a voice vote, would have ensured the availability of funds to support local and statewide participation in revision of State Implementation Plans for areas not achieving clean air. It would have encouraged earlier local involvement in the revision process. Revised implementation plans must be submitted by Jan. 1, 1979.

The revised SIPs must indicate these clean air control measures which have been studied and approved, and those measures which will be subject to further planning by Jan. 1.

NACo supported the appropriation of \$50 million for 1978 and \$25 million in fiscal '79 for Section 175 grants.

SOLID WASTE MANAGEMENT

Fifteen million dollars for resource recovery programs, plus an unspecified portion of an extra \$25 million for state and local planning and management studies under Section 4008 of the Resource Conservation and Recovery Act, was approved.

The Administration's budget for fiscal '79 contained \$11.2 million for state and local planning, most of which would be spent at the state level. The Carter Urban Policy recommendations included \$15 million for the planning of resource recovery facilities around urban areas. The subcommittee approved both amounts but it is unclear whether the additional \$15 million would be limited to resource recovery facilities in urban areas.

NACo supported an additional \$20 million to be earmarked for solid waste programs under Section 4008 and \$10 million for rural solid waste programs under Section 4009. No funds were recommended for rural programs by the subcommittee.

Action by the full House Appropriations Committee is expected within a month. Full committee action usually follows subcommittee recommendations.

Attention now switches to the Senate subcommittee on HUD-independent agencies, chaired by Sen. William Proxmire (D-Wis.). Hearings were completed recently and subcommittee markup is expected during the early part of June.

Transit/Clean Air Guidelines Ready

WASHINGTON, D.C.—The Environmental Protection Agency (EPA) has issued a final draft of its transportation/air quality planning guidelines. These guidelines set forth the steps to be taken in developing the transportation system component of revised State Implementation Plans (SIPs) for areas which have not attained federal air quality standards for photochemical oxidants and/or carbon monoxide.

The guidelines apply to all public agencies responsible for SIP revision, and they specifically note that Section 174 of the 1977 Clean Air Act Amendments mandates strong local involvement in developing this revision.

SECTION 174 of the 1977 amendments requires the designation of a lead planning agency, preferably "an organization of elected officials of local governments," to prepare the SIP revision for areas that will not attain the oxidant and carbon monoxide standards by July 1, 1979. Designation was to have been completed by last Feb. 7. Lead planning agencies can be local general purpose governments in areawide agencies, or other organizations composed of local elected officials.

With designation an assumed starting point, the guidelines direct the designated lead agency to develop a program that will make clear all the joint responsibilities and working relationships of all agencies and organizations involved in development and implementation of the revised SIP.

In developing this work plan, the lead agency must cooperate from the first with those agencies responsible

for "3C" (continuing, cooperative and comprehensive) transportation planning and for air quality maintenance planning. It is expected that in many cases the lead agency itself will be responsible for these planning processes.

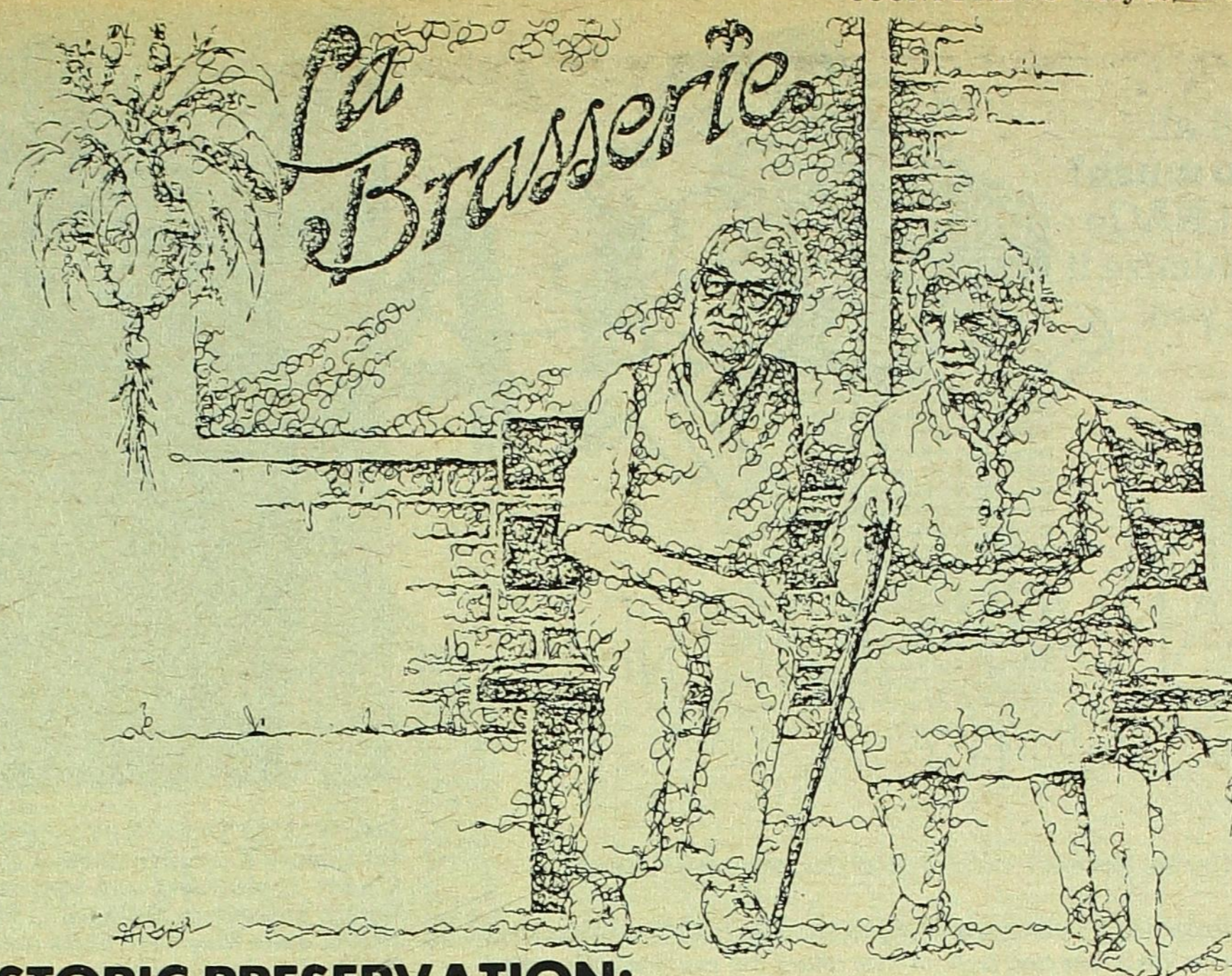
The guidelines direct that the initial work plan should include:

- Documenting the existing responsibilities of local agencies for transportation or air quality planning and implementation;
- Defining formal and informal working relationships among programs and agencies;
- Developing mechanisms to maintain or establish the formal and informal working relationships.

The lead agency is directed to provide appropriate elected officials with information on measures under consideration, possible configurations of such measures, and (as planning progresses) specific transportation strategies. The lead agency is also directed to obtain commitments from appropriate officials to support, fund, and/or implement programs before the lead agency adopts the programs for inclusion in the SIP.

Finally, the lead agency is directed to keep elected officials posted regarding proposed modifications to air quality-related transportation programs, once these are implemented.

The guidelines are currently under review by the Department of Transportation, and it is expected that review will be completed within several weeks. NACo plans a complete analysis of transportation and air quality planning when the review is completed.



HISTORIC PRESERVATION:

Can It Manage Success?

by Neal R. Peirce

SEATTLE—In 1971, voters here resoundingly defeated a proposal to raze their 1907 vintage Pike Place Market and redevelop it into a large-scale commercial development with hotels and luxury high rises.

Seattleites instead created a historic district with highly unconventional goals: to keep the market for the sale of food, to retain low-income residents (the original Skid Road is nearby), and to preserve such "unsavory" establishments as taverns, thrift shops and cheap hotels. All

these, Seattle architect Victor Steinbrueck insisted, comprised an "ecology" worth preserving.

Today the country's more farsighted historic preservationists, plagued by turf battles in reviving cities, are looking to Seattle and a few other success models to answer a vexing problem: how to restore historic old neighborhoods without forcing out the poorer people who live there.

THERE'S GRAVE danger, says Anne Bartley, director of Arkansas' Department of Natural and Cultural Heritage, that historic preservation will benefit only "rich, white upper-class persons who use it as an exclusionary zoning and economic tool to keep out the undesirables, the blacks, the minorities, low-to-moderate income people."

Pike Place Market, situated on a steep hill overlooking Elliott Bay, has veered toward middle classdom since 1971. Chic, "ferny" restaurants have opened; a barber shop gave way to a gourmet kitchen emporium. Some Skid Roaders have left. But chain stores have been kept out; there is a community center for alcoholics; and federal housing subsidies have helped make it possible to keep the same number of indigent and low-income housing units as previously. "A very creative balance is being achieved," says Washington Secretary of State Bruce Chapman, a Seattle city councilman when the district was created.

Historic preservation has come a long way since the Mount Vernon Ladies Association mounted a national fund-raising campaign to save George Washington's mansion in 1853.

TODAY, PRESERVATION activities have switched to adapting old buildings to contemporary use or preserving whole neighborhoods with distinctive architecture, a scope far beyond the dreams of the few eccentric rich who carried the torch for single historic buildings through earlier decades. Historic preservation societies (or neighborhood conservation groups, as the newer ones call themselves) exist in every major city and many small towns. The rolls of the National Trust for Historic Preservation have swelled from 12,000 to 138,000 members in 12 years.

But if historic preservation has succeeded in drawing the affluent middle class into hundreds of distinguished old neighborhoods, the hard question must be posed: Does the movement have a social conscience

when lower-income groups are affected?

In interviews with preservation and neighborhood leaders in all regions of the nation, my associate Jerry Hagstrom and I found that rank-and-file historic preservationists are rarely addressing the problem of displacement of the poor.

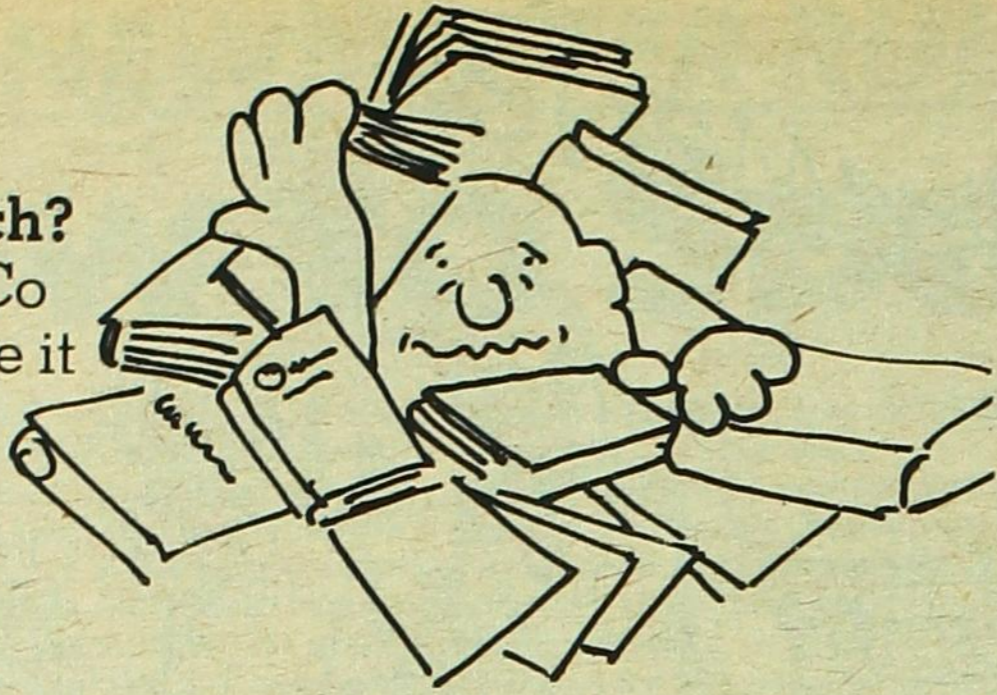
Cincinnati preservationists are working hand-in-hand with speculators, says Carl Westmoreland, a black leader in revitalization efforts in two neighborhoods, Mt. Auburn and Madisonville. "We view newcomers as a mixed blessing," says Westmoreland, who is also a history buff and trustee of the National Trust for Historic Preservation. "We can use their talents and skills, but a lot of people have a hard time living next door to people they've always looked down their noses at. They want us out of the neighborhood."

Often the conflict pits young professionals against the working class—white ethnics in Baltimore; "redneck" country music fans in Louisville's Butchertown; Chicanos, blacks and whites in Galveston, Texas. But the elderly are most often and most seriously affected, report the National Urban Coalition and the Conservation Foundation. Those elderly aren't necessarily poor, but often they can't afford increased taxes or bringing their houses "up to code."

In addition to Seattle, a few valiant efforts for historic preservation without displacement are spotted around the nation. Arthur Ziegler of Pittsburgh History and Landmark has announced a program for homeowners to borrow money at 3 percent interest to fix up their homes in that city's Victorian Manchester section. Historic Denver is using federal dollars and job programs to fix up low-income residents' homes in the Curtis Park neighborhood.

IDEAS FOR nondestructive neighborhood conservation are sprouting up in many cities. Examples: anti-speculation taxes; staggered property tax increases for long-time residents whose homes are revalued by enthusiastic assessors as nearby houses are improved; lengthening eviction notice periods beyond the standard 30 or 60 days; rewriting building codes that discourage homeowners from making minor repairs. Another idea is the "reverse mortgage" (also known as "life estates"), under which an elderly homeowner can receive payments from the bank for his house, but not relinquish title until he dies or moves.

Is it all
too much?
Let NACo
minimize it
for you.



MINI-MANAGEMENT PACKETS

Sponsored by the National Association of County Administrators

Mini-Management Packets are designed to help county officials keep up-to-date on the issues and actions that affect the administration and management of the county. The packets are a collection of studies, reports, newspaper and magazine articles, directories, surveys and bibliographies on a wide range of subjects. The information is current. Cost covers reproduction, mailing and handling.

☐ PARTNERSHIPS FOR HUMAN SERVICES: Title XX and Other information (#2)

Counties are the largest providers of human services on the local level through health, welfare and criminal justice programs. Knowing whom to contact, understanding the institutional barriers, assessing what works elsewhere in local government helps counties help people. This is a collection of contacts, a Title XX report, and three publications on human services coordination, planning, management and public participation. (174 pp.)

Price \$4 Quantity _____ Total Cost _____

☐ MOBILITY ASSIGNMENTS (#7)

The goals and features of the Intergovernmental Personnel Act (IPA) program are described and examples of successfully completed assignments are given. Also included in this 32-page packet are a bibliography, sample assignment agreement and the names of those in charge of mobility assignments in federal executive agencies.

Price \$1.40 Quantity _____ Total Cost _____

☐ AIRCRAFT NOISE REDUCTION (#6)

This packet gives an overview of the ways counties can use existing authority to achieve quieter airport environs. Packet includes eight publications with information on federal laws, rules, regulations, technical and financial assistance and addresses of other information contacts. Also included are examples of noise control strategies already undertaken by counties and states. (172 pp.)

Price \$4.25 Quantity _____ Total Cost _____

☐ MOBILE HOME SITING (#8)

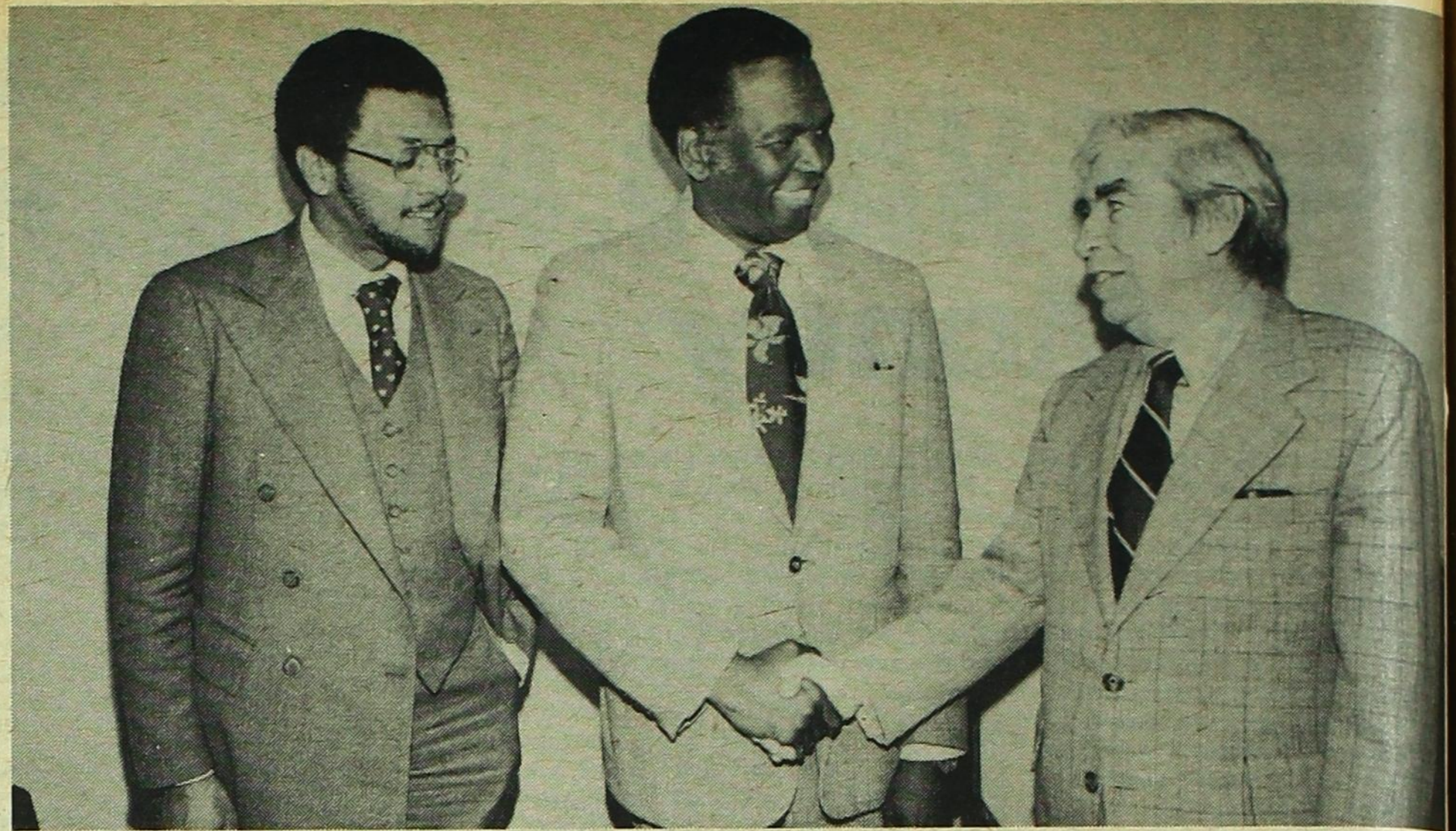
How should mobile homes be handled in the context of housing needs, housing standards, and land use policies? Montgomery County, Md. faced this problem and took a serious look at the existing situation and alternative methods of dealing with it. This report summarizes Montgomery County's findings, including results of a nationwide survey. (16 pp.)

Price \$8.5 Quantity _____ Total Cost _____

NACo Publications Department
1735 New York Ave., N.W.
Washington, D.C. 20006

Please send the above marked items to:

Name _____
Title _____
County _____
Address _____
State _____ Zip _____



MILWAUKEE COUNTY APPOINTMENT—The first black in the history of Milwaukee County, Wis. will serve on the County Executive Cabinet as a result of the appointment of Symuel H. Smith (center) as director of Milwaukee County Institutions and Departments. The appointment was made by County Executive William F. O'Donnell (right). Supervisor Terrance L. Pitts (left) served on the five-member Search Committee established to fill the post vacant since May 1977. Pitts is chairman of the county's Health Committee and of NACo's Health and Education Policy Steering Committee.

WORKSHOPS PLANNED

Health Grants Available

WASHINGTON, D.C.—HEW's Bureau of Community Health Services has awarded NACo Research Inc. (NACoR) a contract to encourage and assist county officials to develop health care projects in medically underserved rural and urban areas. Federal funds under HEW's Rural and Urban Health Initiatives are being made available for a wide variety of projects which emphasize the development of primary health care services.

Over 7,000 counties and areas within counties which have insufficient medical manpower and such problems as high infant mortality and high concentrations of elderly or

low-income individuals are eligible for such grants. Rural areas may receive grants for the initial planning and development of new services.

A RURAL AREA might use BCHS programs to obtain a National Health Service Corps physician or other health professionals to develop a new clinic and/or to expand the scope of services or the population served in an existing facility.

Urban areas may use additional federal funds to build an integrated health system by expanding and linking existing services. For example, a public health department

might build a primary care center or the foundation of a well-child clinic and other categorical services, or a public general hospital might replace much of its emergency room and outpatient services with a primary care center.

NACoR will provide information and help to counties interested in developing applications for federal health project grants. It also will conduct four regional workshops to acquaint county officials and health professionals with the potential and requirements of such grants. For more information, contact Tony McCann, Director, Health Services Program, NACoR, 202/785-9577.

Matter and Measure



NEW OFFICERS IN INDIANA

Dan Ruth, Tippecanoe county engineer, was elected president of the Indiana Association of County Engineers during its recent meeting. Other association officers for 1978 are: Vice President William J. Richardson, St. Joseph County engineer; and Secretary-Treasurer David Goodwin, Marshall County engineer.

UNIFORM TRAFFIC CONTROL DEVICES COMMITTEE SEEKS COMMENTS

The National Advisory Committee on Uniform Traffic Control Devices, responsible for reviewing and revising traffic control devices, signs, markings, etc. in the *Manual on Uniform Traffic Control Devices (MUTCD)*, is seeking comments on:

- Signs for diesel fuel availability, weight (load) restrictions and rest room facilities;
- Control devices for use of public median crossovers;
- Bike route trailblazers;
- Ramp terminal destination signs;
- Use of "Star of Life" symbol to denote emergency medical system facilities;
- Use of post-mounted delineators;
- Revision of "merge" traffic sign;
- Mandatory use of highway edgelines.

Also under consideration are revisions of two sections of the "Traffic Control Devices Handbook—An Operating Guide," a supplement to MUTCD. One section under review is on Traffic Control Systems for Railroad-Highway Grade Crossings and the other is on Traffic Controls for Construction and Maintenance Operations.

In addition, special task forces on the committee are developing recommendations on:

- Recreation vehicle traffic control signs;
- Signing for long, steep grades;
- Traffic signal phasing, sequences and indications;
- Pedestrian signals and indications;

- Flashing beacons;
- Traffic signal design and operation;
- Traffic signal warrants;
- Fundamental principles of traffic control in construction and maintenance areas.

In addition to two public meetings held each year, the Advisory Committee is using the *Federal Register* (April 6, 1978) to obtain maximum input. Your comments, suggestions or technical input should be made before June 14 to: R.H. Conner, Executive Director, National Advisory Committee on Uniform Traffic Control Devices, Office of Traffic Operations, Federal Highway Administration, 400 Seventh St., S.W., Washington, D.C. 20590.

Please send copies of comments you send to Connor to Marian Hankerd at NACo, so we can pass them along to NACo's representatives on the Advisory Committee.

PUBLIC WORKS LEADERS-OF-THE-YEAR

In observance of National Public Works Week, May 21-27, the American Public Works Association has selected 10 top public works officials for 1978. The individuals were selected from nominees as representatives of the finest in public works.

They are: Lewis H. Blakey, deputy director for Technology and Engineering, Facilities Engineering Directorate, U.S. Army Corps of Engineering, Washington, D.C.; James A. Clear Jr., director of public works, Elizabethton, Tenn.; Heinz Heckeroth, assistant director for highways, California DOT; Charles Kimberling, manager of engineering, Water and Sewer Department, Tulsa, Okla.; Edward Mueller, executive director, Jacksonville (Fla.) Transportation Authority; Forrest Neil, chief engineer, Metropolitan Sanitary District of Greater Chicago, Ill.; Rikio Nishioka, state public works engineer, Hawaii; Gerald Schwerin, engineer, Brown Deer, Wis.; Donald Somers, director of public works, Sunnyvale, Calif.; and Paul Wiatrak, city engineer, Seattle, Wash.

FULTON COUNTY ATLANTA!

NACo 43rd Annual Conference and Educational Exhibits July 8-12, 1978 at the Georgia World Congress Center

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

CONFERENCE REGISTRATION

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

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

Conference registration fees:

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

Name _____ County _____

Title _____ Telephone (____) _____

Address _____

City _____ State _____ Zip _____

Spouse, if registering _____ Age of youths attending _____

HOUSING RESERVATION:

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

Hotel	Single	Double/Twin	Suites	Room type
1. Atlanta Hilton (NACTFO)	\$36-55	\$48-67	\$120 up	single _____ twin _____ double _____ suite _____
2. Hyatt Regency Atlanta (NACE)	35-49	45-59	110 up	Hotel preference
3. Marriott Motor	35-50	45-60	125 up	1st choice _____ 2nd choice _____ 3rd choice _____
4. Omni International (SOLD OUT)				
5. Peachtree Center Plaza (NACRC)	36-49	46-59	100 up	

Names _____

Arrival date/time _____ Departure date/time _____

Credit card company and number: _____

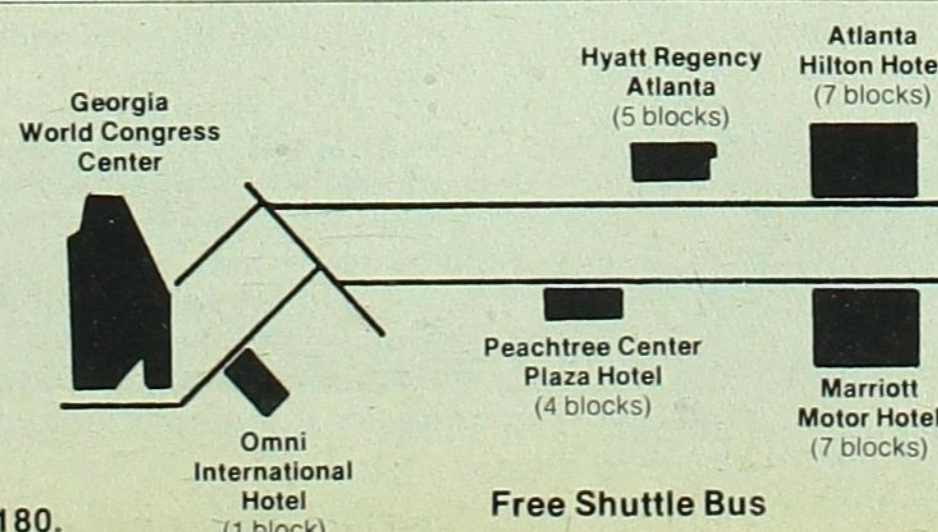
No room deposit required. Rooms may be guaranteed by credit card number.

☐ Check here if you have a housing related disability.

Send preregistration and hotel reservation to:

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

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



Tentative Program Schedule

Saturday, July 8

Conference/Credentials Registration
Noon to 4:00 p.m.

Steering Committees
Noon to 3:00 p.m.

Affiliates
Noon to 5:00 p.m.

NACo Board of Directors Meeting
3:00 p.m.

Sunday, July 9

Conference/Credentials Registration
9:00 a.m. to 8:00 p.m.

Exhibits Open
9:00 a.m. to 3:00 p.m.

Affiliates
9:00 a.m. to 5:00 p.m.

Resolutions committee (NACo Board)
10:00 a.m.

Opening General Assembly
6:00 p.m.

Followed by NACo President's Reception

Monday, July 10

Conference/Credentials Registration
8:00 a.m. to 4:30 p.m.

Exhibits Open
9:00 a.m. to 4:30 p.m.

Second General Session
9:00 a.m. to 9:45 a.m.

Workshops
10:00 a.m. to 12:15 p.m.

Exhibit Luncheon
Noon to 1:15 p.m.

Workshops
1:30 p.m. to 4:30 p.m.

Tuesday, July 11

Annual Business Meeting
9 a.m. to Noon

Exhibits Open
10:00 a.m. to 2:00 p.m.

Exhibit Luncheon
Noon to 2:00 p.m.

Annual Business Meeting (reconvened)
2:00 p.m. to 4:00 p.m.

Special All Conference Event
Wednesday, July 12

Workshops
9:00 a.m. to Noon

General Luncheon Session
12:15 to 2:00 p.m.

Workshops
2:15 p.m. to 3:45 p.m.

Closing Banquet
7:00 p.m.

Washington Briefs

• **Welfare Reform.** Hearings concluded in both Houses. No further committee action scheduled. Rumors of compromise abound, but nothing specific has come forth. NACo continuing to press for comprehensive reform this year.

• **Older Americans Act.** House and Senate committees have reported out different bills (H.R. 12255, S. 2850) consolidating some programs but continuing categories. See page 3.

• **Title XX Funding.** Funds for Title XX ceiling increase were cut from House Budget on May 9 on House floor, but were restored on May 10 after NACo and others protested. Funds are now in both House and Senate-passed budgets.

• **Title XX.** White House has proposed \$150 million targeted Title XX bill as part of urban program in place of \$200 million ceiling increase supported by NACo, governors and social service groups. See page 1.

• **Fiscal Relief.** Fiscal relief for welfare costs totalling \$400 million approved in House budget, but not in Senate. NACo urging budget conferees to provide House level.

• **Budget Resolution.** The House voted last week, 205 to 192, to reinstate a \$3.15 billion cut it made earlier to HEW's budget. Rep. John Ashbrook (R-Ohio) moved two weeks ago to delete the money, citing an inspector general's report that between \$6.3 billion and \$7.4 billion of HEW funds were misspent because of fraud and abuse. The Ashbrook amendment carried 198 to 189. NACo and other interest groups lobbied successfully to reverse the decision.

• **Health Planning and Services.** The Senate Human Resources Committee reported out two major bills (S. 2474 and S. 2410) last week that increase county participation in health planning and health service programs. The health planning measure (S. 2410) ensures greater local elected official representation on private health systems agencies (HSAs). Public HSA amendments placed elected officials in charge. S. 2474 extends basic public health programs of interest to counties.

• **Transportation.** The Senate Environment and Public Works Committee continues markup of S. 2440 (highways). House Public Works Committee expected to complete markup of H.R. 11733 (highways and transit) soon.

unemployment compensation, revenue sharing, and economic problems and before the House Government Operations subcommittee on intergovernmental relations and human resources in favor of a permanent countercyclical assistance program. The Administration has proposed legislation (H.R. 12293, S. 2975) that would extend the program for two years at \$1 billion annually and would significantly alter the formula for determining eligibility and allocations. See page 5.

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

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

• **Taxable Bond Option; Investment Tax Credit.** House Ways and Means Committee has delayed hearings on President's tax reform package. The Administration has proposed a taxable bond option, which NACo opposes, and a permanent 10 percent investment tax credit with a bonus of an additional 5 percent for locating in distressed areas. Congressional and Administration officials continue to meet on the tax reform package.

• **Rural Development.** House and Senate have both passed the Agricultural Credit Act of 1978, providing increases in water and waste disposal grants for rural counties. H.R. 11504 increases the authorized grant level from \$300 million to \$400 million; S. 1246 increases the level to \$1 billion. Both bills raise the ceiling on amount of grant from existing 50 percent level to 75 percent of project cost. The bills now go to House-Senate conferees to work out differences.

• **Rural Development Policy Act.** House subcommittee on family farms, rural development, and special studies has completed action on H.R. 10885, the Rural Development Policy Act of 1978. Bill increases rural planning grant authorization to \$50 million, establishes a federal rural development coordinating council, and changes the name of FmHA and USDA. The House Agriculture Com-

mittee will consider the bill in mid-May. Companion legislation to be introduced in the House shortly. See page 3.

• **Rural Housing.** House and Senate committees have approved major new rural housing program to help low- and moderate-income rural families purchase homes. Legislation will be voted on in both Houses in mid-May. See page 3.

• **Rural Community Development Act.** House subcommittee on family farms, rural development and special studies has reported out H.R. 9983, a bill to establish a separate community development program for rural communities. The legislation now goes to the House Agriculture Committee and the House Banking, Finance, and Urban Affairs Committee.

• **Rural Planning Grants.** Farmers Home Administration has issued final regulations for administering \$5 million rural planning grant program. Regulations appeared in April 4 *Federal Register*. FmHA is accepting applications and plans to award grants as soon as possible.

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

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

• **Public Liability.** NACo testified before the Senate Judiciary subcommittee on the Constitution on S. 35, the Civil Rights Improvement Act of 1977. NACo opposes provisions in bill eliminating immunity of state and local governments from liability under Section 1983 of the Civil Rights Act of 1971. Companion legislation introduced in the House by Rep. Parren J. Mitchell (D-Md.). No action yet scheduled in House.

• **Government Liability/Antitrust.** The Supreme Court, in a 5-4 decision, held that local governments are not immune from the federal antitrust laws in regard to many of the services they provide. This will subject counties to the antitrust standards and the possibility of increased liti-

Payments-in-Lieu Funds Move Closer

The House subcommittee on Interior appropriations last week approved \$105 million for the fiscal '79 appropriation for the payments-in-lieu of taxes program.

This is an important step for a full appropriation. The appropriation bill now goes to full committee where approval is expected.

Approximately 1,600 counties receive payments for tax exempt federal lands under this program.

gation where particular services are not "traditional governmental services."

• **Antitrust/Government Ability to Recover Damages.** Senate Judiciary Committee scheduled to mark up S. 1874, legislation to overturn the Supreme Court's decision in "Illinois Brick," which ruled that only direct purchasers of materials may recover damages in instances of antitrust violations. The bill, sponsored by Sen. Edward Kennedy (D-Mass.), would specifically enable units of government to recover damages. Companion legislation, H.R. 11942, has been introduced in the House by Rep. Peter Rodino (D-N.J.).

• **Deferred Compensation Programs.** At press time, the Treasury Department had sent a modified legislative proposal to the House Ways and Means Committee and the Senate Finance Committee. Modified proposal is similar to the tentative draft described on page 3, with one addition on the integration of pension plans.

• **Reorganization of Equal Employment Opportunity Programs.** On April 25, the House voted 356 to 39 in favor of Reorganization Plan No. 1. The Equal Employment Opportunity Coordinating Council will be abolished in July 1978. Other changes expected later this year and in 1979.

• **Intergovernmental Personnel Act.** The House subcommittee on Treasury, postal service and general government has marked up fiscal '79 appropriation for IPA. Subcommittee recommended only \$20 million for IPA (the level requested by President Carter). The full committee is expected to vote May 22. House floor action scheduled for mid-June. Senate will not act until House completes action. Counties should contact members of the House Appropriations Committee and their congressional delegations urging an increase of \$10 million above the level recommended by the President and the House subcommittee.

• **Reporting and Tax Liability for Public Pension Plans.** NACo continues opposition to proposed Rep. Richard Stone (D-Fla.), sponsor of S. 1587, and co-sponsor Sen. John Danforth (R-Mo.), agreed on additional language on disclosure of information of public pension plans. Revised bill, S. 1587, will be sent to the Senate subcommittee on private pension plans and employee fringe benefits, chaired by Sen. Lloyd Bentsen (D-Tex.), this week. Counties should contact members of the subcommittee, the Senate Finance Committee and the House Ways and Means Committee requesting immediate action in support of S. 1587 and H.R. 9118, introduced by Rep. John Cunningham (D-Wash.).

• **Civil Service Reform.** The House Post Office and Civil Service Committee, chaired by Rep. Robert Nix (D-Pa.), will continue hearings on H.R. 11280 this week. Markup scheduled May 22. Both House and Senate committees and the Administration are working to resolve specific provisions which have created opposition.

• **Social Security Deposit Payments: Proposed Changes.** The Social Security Administration published in the March 30 *Federal Register* regulations which would change state and local government quarterly FICA contributions to the private sector requirement of monthly deposits. The proposed change would not take effect until 18 months after the promulgation of the final regulations (probably January 1980). Comments must be received before June 14. NACo will testify in opposition to the proposed regulations. Rep. Robert Roe (D-N.J.) has introduced legislation, H.R. 11117, to maintain current quarterly deposits. NACo supports this bill. Counties affected should contact Ann Simpson with data on the impact of lost interest, and the potential administrative costs with increased deposits. The proposed change could cost states, counties and cities millions of dollars.

Results of House CETA Bill Markup Reviewed

Continued from page 1

Title II allocation equal to at least 90 percent of the sum of fiscal '78 Title I and fiscal '77 economic stimulus Title II allocations.

Two important amendments were turned down by the committee: one would have required that special consideration be given to certain community based organizations (CBOs); the other would have appointed a federal civil service employee as CETA administrator in each prime sponsor area. Both were rejected by voice vote.

REP. AUGUSTUS Hawkins (D-Calif.), chairman of the subcommittee on employment opportunities,

outlined the House committee bill generally as follows:

• **Title I:** administrative and planning provisions; creates a tough new office of investigations and an office of management assistance;

• **Title II:** programs to serve the structurally unemployed, combining current Titles II and II;

• **Title III:** national programs;

• **Title IV:** youth programs, including current Title III-C (YEDPA), summer youth and Job Corps;

• **Title V:** the National Commis-

sion for Employment and Training Policy;

• **Title VI:** countercyclical PSE;

• **Title VII:** private sector initiatives; and

• **Title VIII:** Young Adult Conservation Corps.

Hawkins explained that, in response to the overwhelming criticism of the operation of PSE programs, strong restrictions had been placed on PSE to guard against substitution of federal for local funds.

THESE INCLUDE the intent to shift more funds (about \$4 billion) to

Title II training and jobs programs for the economically disadvantaged who are also unemployed, underemployed or in-school; the limitation of Title VI PSE to those unemployed eight weeks who have incomes below 100 percent of the BLS lower living standard budget; and a requirement that half the Title VI jobs be in projects.

He also cited limits on the amount of supplementation of CETA wages to be allowed: an amount no more than 10 percent of the Title VI allocation can be devoted to supplementation; any CETA PSE enrollee's salary can total no more than 125 percent of the CETA wage ceiling; and only 25 percent of the salar-

ies can be supplemented in fiscal '78, 20 percent in fiscal '80, and 15 percent in fiscal '81 and fiscal '82.

Finally, he said, the PSE wage ceiling would be set annually for each area somewhere between \$10,000 and \$12,000, depending on an index of average wages around the country.

Hawkins explained that two offices would be established by the bill: one for investigations and one for management assistance. The first would be responsible for enforcing tough new antifraud provisions and the second to ensure that prime sponsors have access to genuine technical assistance, particularly in financial management and program monitoring systems.