This Week

Bills Before Congress

COUNTY NEWS

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

NACo
Washington, D.C.

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★ EXTRA ★

ACT NOW!

Final Days in Congress

by **Bernard F. Hillenbrand**
NACo Executive Director

One telephone call to your county's congressional representatives between now and the scheduled Oct. 7 adjournment is likely to be more important than a day-long interview once Congress goes home!

The time is really now both as to the calendar and, more importantly, as to the psychology.

You will see in this *Legislative Extra* that there are dozens of vital county bills before Congress which will die unless passed by Oct. 7.

Congress is a two-year production and one day now before adjournment is worth one month early in the next session.

Come the Nov. 7 elections, there will be a brand new Congress. Certainly the odds-makers will bet that the great majority of the present incumbents of both parties will be re-elected. But that does not mean it will be the same Congress.

We already know that 50 senior senators and representatives have chosen not to run. This alone guarantees great changes in the congressional committees and the leadership.

Not only will we have many new faces, we are almost certain to have new instructions from the electorate. Certainly, you, the members, report to us that the people back home are greatly concerned about inflation and the government spending that they believe contributes to that inflation. Certainly, from what we have already seen, the congressional candidates and their campaign literature indicate that even the most liberal candidates are pledging more tax cuts and reduced spending.

Our problem as county officials is that we are the local representatives for national mandates and any significant change in federal funding can cause county disasters.

Some examples:

- The House amendments that will cripple CETA will not reduce county unemployment and public service employees will have to be fired, not by congressional representatives but by county commissioners.
- Cuts in appropriations for environmental programs will not abate court orders for counties to clean up streams. County officials will be ordered to appear at the bench, not congressional representatives.
- Failure of Congress to enact welfare reform and social services revisions will not save county officials

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Employment

CETA: Will It Be Recognizable?

For the past four years, the Comprehensive Employment and Training Act (CETA) has offered the nation's poor and jobless an alternative—an opportunity to get off the welfare and unemployment lines. CETA has provided employment, training, development services and temporary jobs to more than 6 million people nationwide since the program was first enacted in 1973.

This year, however, CETA has faced its greatest challenge. As soon as legislation to re-enact CETA began to wind its way through the House and Senate, critics of the program went on the attack. Their claims: too much fraud, too many jobs going to people who didn't need them, too many local governments substituting federal CETA funds for local funds.

So, despite the fact that national studies tended to refute these claims (showing that the misuse of funds was actually minimal), the emphasis in Congress shifted to reform. The bills produced by both the House and Senate contain much tighter eligibility standards, wage limits and controls on fraud and abuse than the current program.

The question now is not whether CETA will be re-enacted but whether the program that comes out of Congress in the weeks ahead will be recognizable.

The answer to that question now rests with a House-Senate conference committee who will determine the final fate of CETA legislation. Here are some of the issues the conferees will be grappling with this month.

Funding

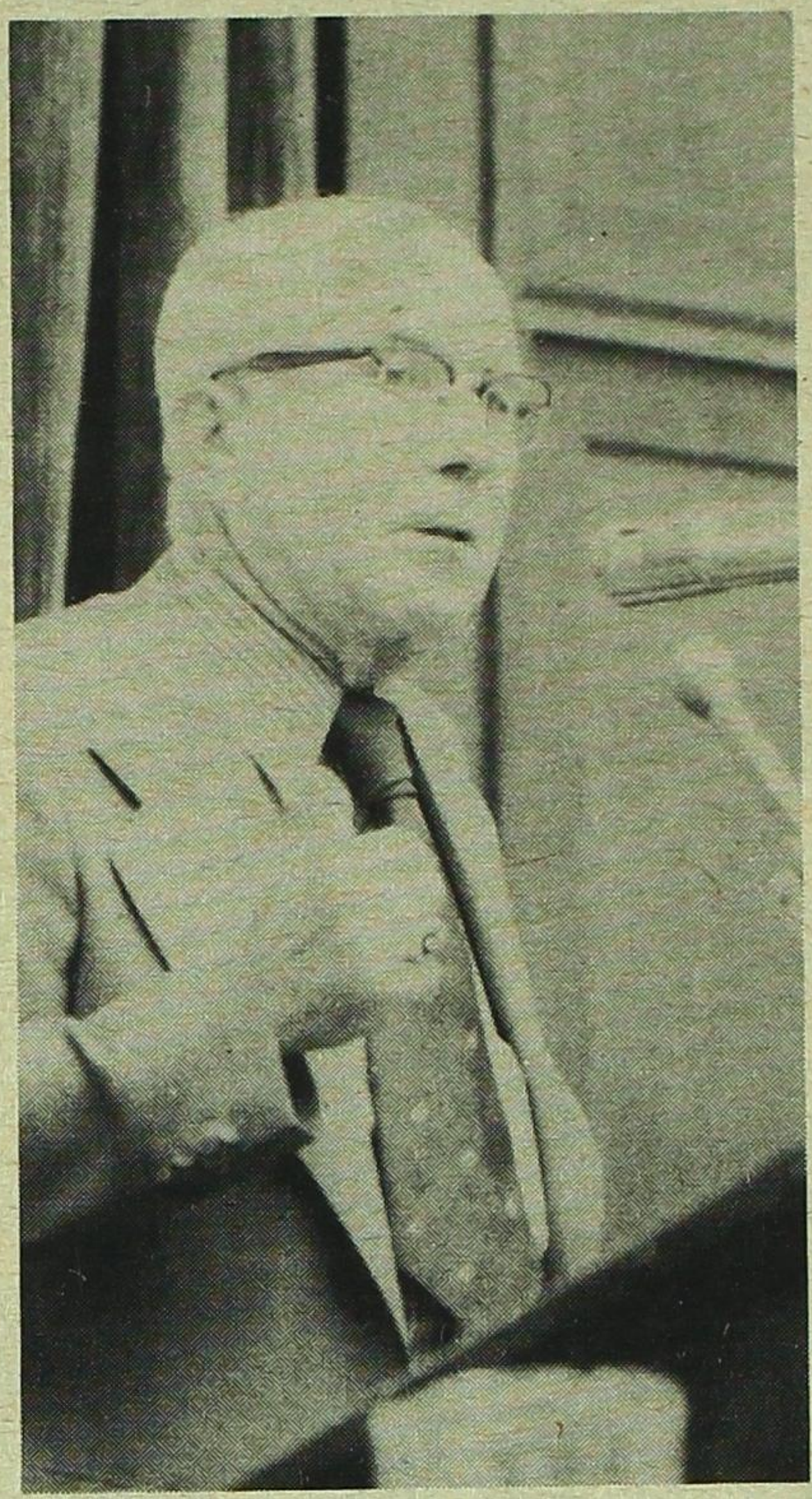
The President has requested $11 billion for CETA in the next fiscal year. The House bill, on the other hand, would slash public service job funds by $1 billion. As amended on the floor, the House bill would transfer $500 million from public service jobs to youth and job training programs and simply cut an additional $500 million.

NACo is urging Congress to retain the current level of commitment to solving the problems of the unemployed. To cut back public service job funding now would condemn that many more Americans to dependency on government checks rather than productive work.

Specifically, Congress should approve the funding level requested by the President. This would permit training programs for the poor and for young people to keep pace with inflation. It would allow a special private sector initiative and a welfare demonstration program to get underway. It would also buy time for many people now working in public service jobs to find regular employment as local governments adjust their CETA programs to the new law.

Furthermore, cuts in public service jobs as requested by the House would compound what are already expected to be significant shifts in funding patterns. For example, current public service job funds are distributed on the basis of the number of unemployed in 1976. New funds, however, would be distributed on the basis of more recent unemployment levels which have dropped. This may significantly reduce the amount of CETA funding going to certain communities. Furthermore, expected changes in the allocation formula will affect some areas.

In short, the new distribution of public service job money is likely to provide unpredictable surprises. To further exacerbate these changes by approving an overall cut in funds would create chaos for many CETA programs.



Rep. Augustus Hawkins (D-Calif.) is both floor manager of the CETA legislation and sponsor of the Humphrey-Hawkins Full Employment bill (H.R. 50 and S. 50). He was the keynote speaker at NACo's CETA rally last month in Washington.

Title II Structure

Title II (which combines current Titles I and II) concentrates on the "structurally unemployed"—those people whose lack of skills prevents them from finding work even in prosperous times. Until now, local governments have been free to use these funds to either provide classroom and skills training for the unemployed or create public service jobs to give people valuable work experience.

However, members of Congress voiced concern this year that Title II was losing its original emphasis on training. As a result, both the House and Senate have placed restrictions on the amount of Title II money that can be used for public service jobs.

The Senate bill (S. 2570) divides Title II into one section for training and one section for jobs, each with a separate allocation formula. In essence, the federal government would be telling local governments how much to spend on each.

The House bill (H.R. 12452), however, simply places a ceiling on the amount of Title II money that can be spent for public service employment wages. If a local government wanted to focus all of its money on training and none on jobs, it could do so. There is no "minimum" as in the Senate bill. And if a local government did want to spend money for jobs, it could decide how much as long as the amount did not exceed 50 percent of the area's Title II allocations.

NACo is urging the conference to approve the House version of the Title II structure because it allows local governments far more flexibility.

Title II Formula

The House and Senate bills also differ on how to distribute Title II funds. A certain percent of the money will be given exclusively to areas of "substantial unemployment." Currently, an area qualifies for these funds if it suffers a 6.5 percent unemployment rate for three consecutive months.

The House bill would maintain the current definition. However, starting in fiscal '80, the Senate bill would require that communities have a full year's average unemployment rate of 6.5 percent in order to qualify. This would take out of the running some counties who suffer seasonal variations in employment. It would hurt, for example, those communities that are dependent on a few major industries that periodically lay off employees when there are downswings in the economic cycle.

NACo supports the House three month definition of "areas of substantial unemployment."

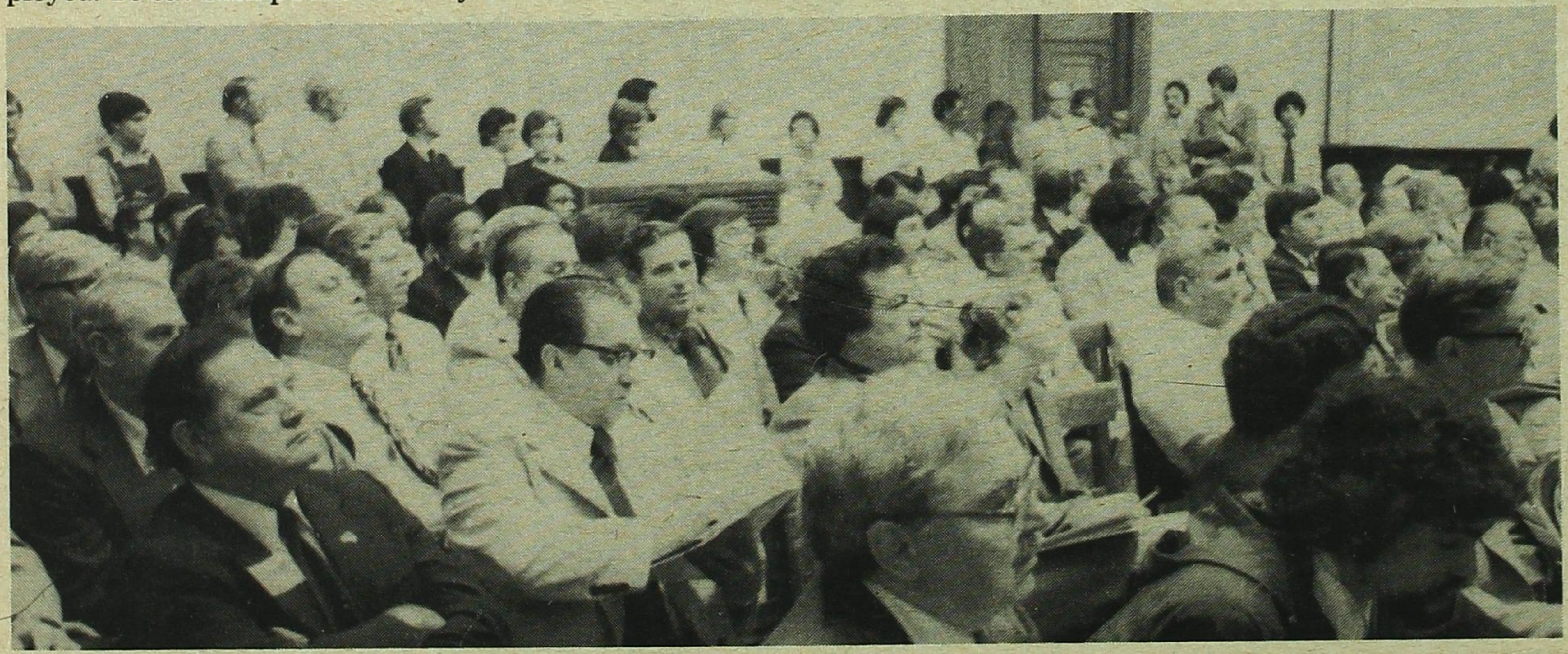
Title VI Eligibility

Title VI is designed as a countercyclical program that can quickly provide temporary jobs during periods of high national unemployment. Both the House and Senate bills contain strict eligibility requirements for these jobs. These provisions will affect the speed of job creation, the breadth of services provided and the time required to recruit and certify job applicants. They will also increase the number of laid-off workers for whom unemployment insurance is the only option.

NACo supports the House provisions on Title VI eligibility because they require a shorter period of time for which a person must be unemployed to qualify for a Title VI job. They would also allow the person to have a slightly higher family income to be eligible.

Title VI Projects

The House bill requires that a



County officials are briefed on the future of CETA during August rally on Capitol Hill.

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Employment

House-Senate Conference to Determine CETA's Fate

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least half the Title VI public service jobs be in special, temporary projects outside of regular county employment. The Senate bill is more restrictive. It would require that all Title VI jobs be in special projects.

Counties have found that projects cost more per job because of the cumbersome bidding process and the need to create new supervisory and administrative staff. Furthermore, projects are less likely to provide an individual with the kind of "on the job" training that will lead to permanent employment. Finally, some projects are clearly low priority tasks created simply to spend the money. Individuals in these projects would not be providing meaningful services to the community.

NACo urges CETA conferees to adopt the House requirement that only half the jobs must be in special projects. (See below for expected conferees.)

Administrative Provisions

The Senate would allow a national average wage of $7,800 for public service jobholders. The Senate would also permit wage ceiling indexes based on variations in average wages.

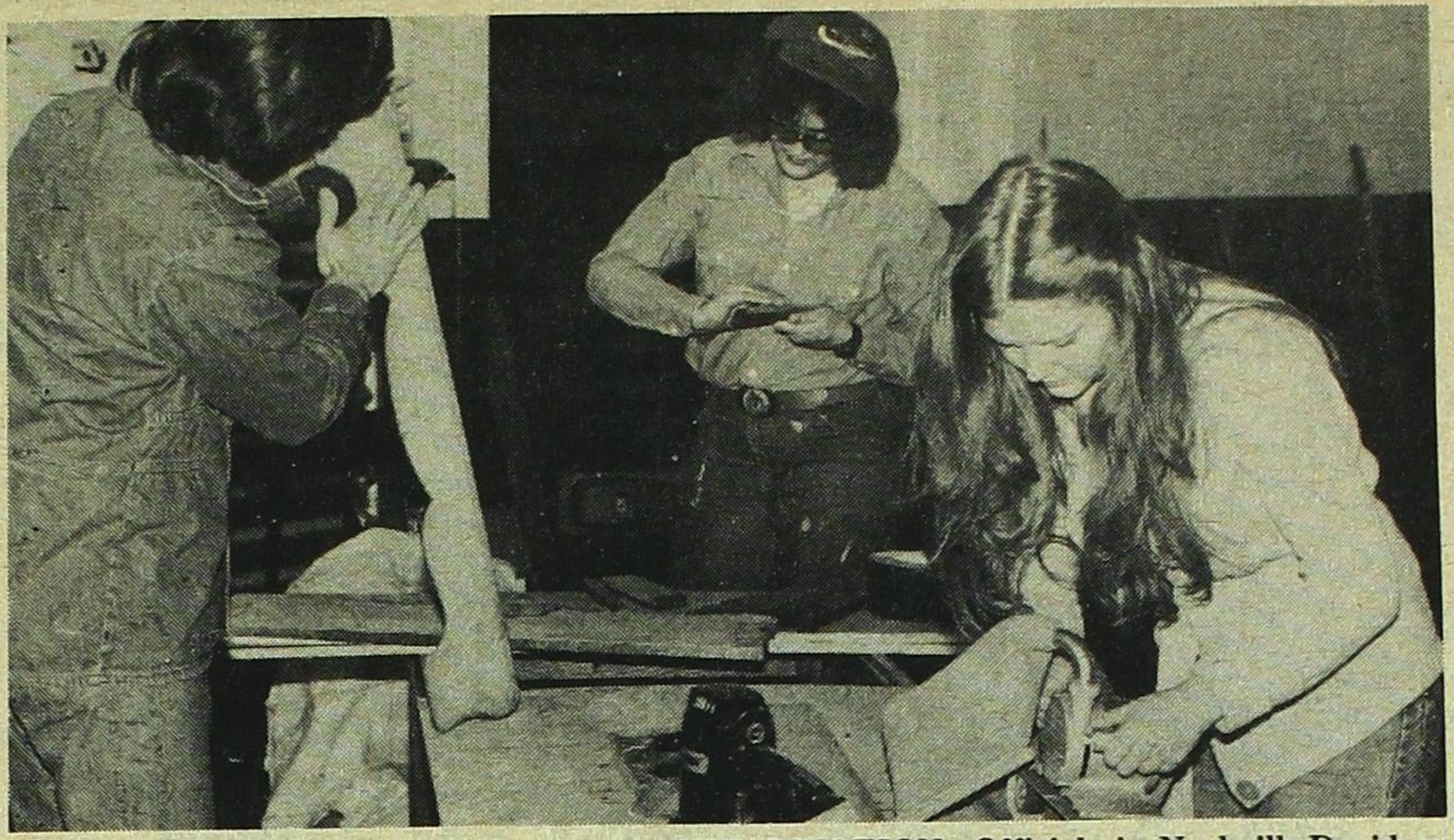
Floor amendments passed by the House, however, would restrict the national average wage to $7,000. Most counties have average wages above this level. Even in counties that have generally lower wages, public service employment would be restricted almost entirely to jobs that pay the minimum wage. And in higher wage areas, there would only be a handful of jobs that public service employees could fill. As a result, NACo supports the Senate rules on public service job wages.

Concerning other administrative provisions, NACo is urging CETA conferees to accept the House provisions requiring publication of all necessary guidelines before grant applications are due and limiting rule changes during the year.

NACo is opposing Rep. Millicent Fenwick's (R-N.J.) floor amendment that would require a paperwork nightmare—lists of every training contract and the date the individual is placed.

Policy is decided by the Employment Steering Committee, chaired by John V.N. Klein, county executive, Suffolk County, N.Y. Staff contact: Jon Weintraub.

Senators	Representatives	
Harrison Williams Jr. (N.J.)	*Carl D. Perkins (Ky.)*	*Bill Clay (Mo.)*
Gaylord Nelson (Wis.)	*Augustus F. Hawkins (Calif.)*	*Baltasar Corrada (P.R.)*
Alan Cranston (Calif.)	*John H. Dent (Pa.)*	*Albert Quie (Minn.)*
William D. Hathaway (Maine)	*Edward Beard (R.I.)*	*Ronald Sarasin (Conn.)*
Donald W. Riegle Jr. (Mich.)	*Michael Myers (Pa.)*	*James Jeffords (Vt.)*
Jacob K. Javits (N.Y.)	*Ted Weiss (N.Y.)*	*Carl Pursell (Mich.)*
Orrin G. Hatch (Utah)		
John H. Chafee (R.I.)		



CETA PROGRAM TIED TO URBAN REVITALIZATION—Officials in Nashville-Davidson County, Tenn. have attracted nationwide attention for their positive approach to employment opportunities and urban renewal. Participants and staff have worked with a variety of local agencies and the Department of Housing and Urban Development to rehabilitate about 2,000 neglected housing units, owned by or to be sold to low-income families.

Senate Filibuster Would Spell End of Full Employment Legislation

The Humphrey-Hawkins Full Employment Bill (H.R. 50 and S. 50) makes the achievement of full employment the central priority of national economic life.

This vital legislation will commit this nation and its leaders to specific unemployment levels of no more than 3 percent for adults and 4 percent for the overall population by 1983.

The bill requires the President and Congress to implement policies and programs to reach these targets and achieve genuine full employment.

The legislation also establishes a process of comprehensive and integrated planning and coordination involving the President, the Congress and the Federal Reserve Board.

This legislation will permit officials to measure year by year the progress of particular policies and programs against specific goals and will also document the need for additional job creating programs outlined in the legislation.

The House passed the Humphrey-Hawkins bill rejecting amendments that would establish an inflation goal. The Senate Human Resources Committee reported S. 50 without an inflation goal, while the Senate Banking Committee by a vote of 8-7 included a zero inflation goal to be reached by 1983. NACo supports the Senate Human Resources Committee bill and rejects any highly artificial or arbitrary inflation goal. NACo urges county officials to contact their senators to vote for cloture should a filibuster be attempted.

Welfare and Social Services

$3 Billion for Counties At Stake in Major Bills

Three bills currently being considered by Congress would provide counties with approximately $3 billion in additional funds to pay for services such as hot meals for the elderly, day care for children, income supplements for poor families and family planning services.

After months, even years, of intense effort by NACo and other concerned groups, federal "strings" have, for the most part, been reduced.

The problem now: Will Congress make the final necessary adjustments in these acts and pass them before the end of this session?

Need for Action

"A few county officials have really worked long and hard on these bills," notes Black Hawk County (Iowa) Supervisor Lynn Cutler who has, herself, played a major role. "It's now up to all county officials to get on the phone to prove how much we need this money."

The alternative, Cutler adds, is increased property taxes because "you can delay building a road but you just can't throw a child out on the street. These services have to be provided."

The Bills

The State and Local Welfare Reform and Fiscal Relief Act of 1978. Introduced in the Senate by Sens. Daniel Patrick Moynihan (D-N.Y.), Alan Cranston (D-Calif.), and Russell B. Long (D-La.), the bill provides $400 million in fiscal '79, and $1.5 billion in fiscal '80. Thereafter the

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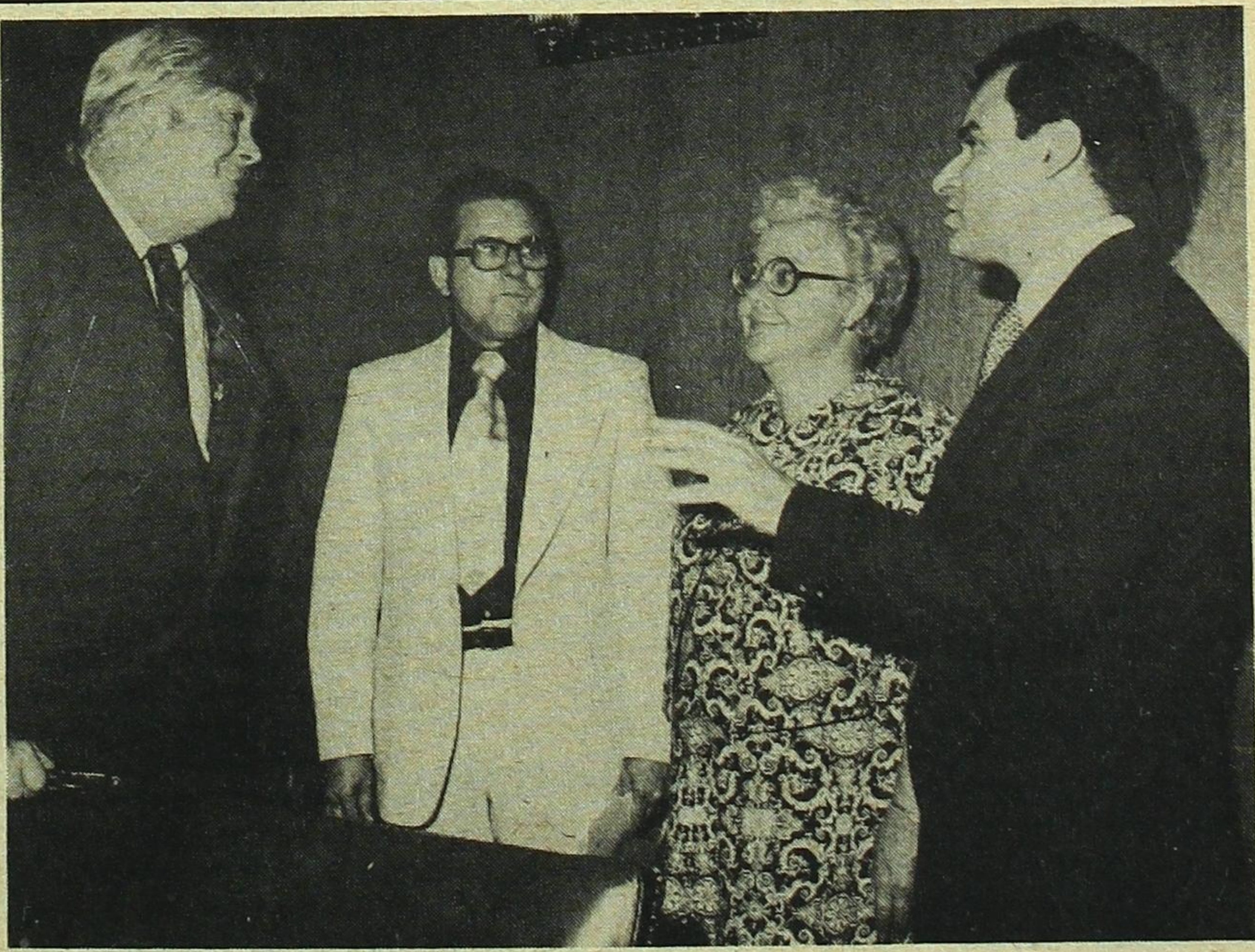

Sen. Daniel Patrick Moynihan (D-N.Y.), left, chairman of the Senate public assistance subcommittee, discussed his fiscal relief bill, S. 3470, with, from left, NACo witness Frank Jungas, Cottonwood County, Minn.; Virginia Delegate Mary Marshall for the National Conference of State Legislatures; and Stephen B. Farber, executive director of the National Governors' Association.

Welfare and Social Services

CONFEREES WORK ON OLDER AMERICANS ACT—Sen. Thomas Eagleton (D-Mo.), seen at right, raises a point during deliberations on the Older Americans Act last week. At issue is the responsiveness of the House and Senate bills to county needs.

NACo's Top Priority ...

For the past year NACo's number one priority has been to replace the current patchwork of welfare programs with a coordinated system that would provide:

- Jobs for the employable;
- Income for those who cannot work;
- Social services for those who need counseling and other similar support.

Commissioner Frank Jungas, chairman of NACo's Welfare and Social Services Steering Committee, has traveled innumerable times from Cottonwood County, Minn. to Washington to advocate "a rational system."

The State and Local Welfare Reform and Fiscal Relief Act of 1978 does not provide the basic reform that NACo seeks. Nor does the bill guarantee long-term fiscal relief for counties because a ceiling is being placed on the federal contribution. Nevertheless, the bill provides urgently needed financial assistance to counties.

For this reason, Jungas told the Senate Finance Committee last week that counties intend to give the committee and the bill's sponsors "all the support we can to see that fiscal relief is provided now."

Jungas added, however, that counties intend to continue to press for actual reform.

"We will be back here next year," he said, "working with the Senate and the House to bring about these needed changes."

Fiscal Relief, Title XX Changes Hang in the Air

Continued from page 3

amount will be adjusted upward to match increases in the cost of living, population, and unemployment. The Senate Finance Committee, chaired by Sen. Long, is still working on the exact design of this recently introduced bill. If approved, the committee will probably attach the measure to this year's tax bill, which will have to be approved by both the House and Senate.

The Social Service Amendments of 1978. Introduced in the House of Representatives by Reps. Martha Keys (D-Kan.) and Don Fraser (D-Minn.), it raises the amount of funds available under Title XX of the Social Security Act from $2.7 billion a year to $3.4 billion a year by fiscal '81. The bill was passed in the House and awaits consideration by the Senate Finance Committee. The major issue: Will the Senate agree to the full three-year increase as provided by the House?

The Older Americans Act of 1978. The House and the Senate passed different versions of this act. Both versions will probably provide about $700 million to $800 million for senior centers, hot meal programs, in-home health services and other programs badly needed by elderly citizens. At issue is not the amount of money, but rather the responsiveness of the two versions to county needs.

A Senate-House conference is ironing out these differences.

In response to a strong push from NACo, Senate and House conferees have agreed to recommend participation by local elected officials in planning local services for the elderly and to allow three-year (instead of annual) plans. Still to be decided is consolidation of all the programs under one administration to keep overhead costs down.

Besides these three major bills, two other bills provide federal dollars for services of a special kind.

The Indochinese Refugee Assistance Act of 1978 would provide full federal funding to counties that are helping resettle these refugees. Estimates by the Congressional Budget Office indicate that $170 million in additional money will be provided by the bill.

The Domestic Violence Act of 1978 will provide between $15 million and $30 million to support state and local programs that seek to reduce spouse and child abuse as well as other forms of violence in the home.

Action Needed

Telephone (do not write—your letter won't arrive in time) your local representatives in Congress—senators and members of the House. Provide any statistics you have available about your expenditures for the above services and the limitations of local property taxes in your county. Be sure these lawmakers understand the importance of the following bills:

- Fiscal Relief of 1978 (S. 3470)—NACo advocates immediate fiscal relief with guaranteed federal funding for all future increases in county welfare responsibilities.
- Social Service Amendments (H.R. 12973)—NACo supports the full three-year extra funding.
- The Older Americans Act of 1978 (H.R. 12255)—NACo supports participation of local officials in planning and consolidation of programs.
- The Indochinese Refugee Assistance Act of 1978 (S. 3205)—NACo supports passage in both House and Senate.
- The Domestic Violence Act of 1978 (H.R. 12299)—NACo supports House passage.

Inform the members of the House Ways and Means Committee and Senate Finance Committee of your local situation and of your support for immediate fiscal relief and full three-year funding for the social services amendments.

Policy is decided by the Welfare and Social Services Steering Committee, chaired by Frank Jungas, commissioner, Cottonwood County, Minn. Staff contact: Aliceann Fritschler.

How Much Additional Money Would Your State Receive?

	Fiscal Relief Act of 1978 *(millions of dollars in fiscal '80)*	Social Service Amendments of 1978 *(millions of dollars in fiscal '81)*
Ala.	$17.48	$5.1
Alaska	2.96	.51
Ariz.	10.48	3.12
Ark.	10.98	2.97
Calif.	202.50	29.82
Colo.	14.20	3.57
Conn.	19.80	4.35
Del.	4.19	.81
D.C.	—	1.02
Fla.	31.69	11.76
Ga.	23.56	6.93
Hawaii	9.12	1.23
Idaho	4.10	1.17
Ill.	93.20	15.69
Ind.	24.35	7.47
Iowa	15.62	4.05
Kan.	12.01	3.18
Ky.	22.82	4.77
La.	24.03	5.34
Maine	7.86	1.50
Md.	26.22	5.76
Mass.	57.52	8.19
Mich.	84.39	12.90
Minn.	25.83	5.52
Miss.	13.12	3.30
Mo.	25.10	6.69
Mont.	3.58	1.05
Neb.	6.59	2.19
Nev.	2.49	.84
N.H.	3.92	1.14
N.J.	55.75	10.29
N.M.	7.39	1.62
N.Y.	212.25	25.50
N.C.	28.09	7.68
N.D.	2.64	.90
Ohio	62.58	15.15
Okla.	13.85	3.81
Ore.	17.79	3.21
Pa.	90.16	16.65
R.I.	7.26	1.29
S.C.	13.36	3.96
S.D.	3.66	.96
Tenn.	19.85	5.91
Tex.	46.64	17.22
Utah	6.93	1.71
Vt.	3.87	.66
Va.	25.45	6.99
Wash.	21.87	4.98
W.Va.	10.71	2.55
Wis.	34.38	6.48
Wyo.	1.74	.54

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Transportation

Slow Action Could Shut Off Highway Programs

Federal support for highway construction has dominated U.S. transportation policy since passage of the Highway Act of 1956. That law channeled highway user taxes—principally on gasoline—into the Highway Trust Fund to pay the federal share of the program.

Two key programs were financed from the trust fund. The first was the Interstate Highway System where the federal government provided 90 percent of construction funds and the states the remaining 10 percent. The second program was construction of federal-aid primary, secondary and urban roads, which were funded on a 70-30 matching basis with the states.

As originally conceived, trust fund revenues were to be used solely to put a federal highway system in place. Maintenance was to be a state responsibility. Emphasis, however, has shifted to the repair and maintenance of our deteriorating highway network in this year's new highway legislation.

According to Sen. Lloyd Bentsen (D-Tex.), "It makes little sense to spend over a hundred billion dollars for a highway network and then permit it to crumble for lack of maintenance." Increasingly, federal highway funds have begun to be used for the 3R program—resurfacing, rehabilitation, and restoration. The 3R funding now applies to the Interstate System, as well as the primary and secondary highway systems.

Senate Bills

In Congress, the Senate has taken up and completed action on two parts of a three-part package, which will fund our nation's surface transportation federal-aid programs. Completed were bills to provide a two-year authorization for federal-aid highway programs and Interstate Highway System construction and a four-year authorization for federal highway safety aid. The Senate must still vote on a third bill authorizing federal-aid programs for urban mass transportation. Action on this bill is expected shortly.

House Bill

Taken together, the three bills comprise the equivalent of the single House Surface Transportation Act.

According to Rep. James Howard (D-N.J.), author of the legislation, "We're going to stop building new roads. The next construction will be on upgrading, reconstruction and modernization of the existing system."

In general, the House bill, which will soon reach the House floor, contains considerably higher authorization levels than does the Senate-passed highway bill. Of special note is the much higher House authorization to aid the nation's crumbling bridges. A compromise arrangement has been worked out in the House Ways and Means Committee for Rep. Howard to introduce an amendment that would reduce the $2 billion bridge authorization by $500 million, $200 million of which would be discretionary. In effect, the program would be trimmed to $1.3 billion. The Senate, on the other hand, in approving the Culver Amendment, authorized only $525 million for bridge replacement and repair.

Major provisions of the proposed House and approved Senate Highway Authorization Bills are outlined in the following discussion.

Federal-Aid Secondary System

The House bill authorizes $650 million for each fiscal year through 1982. Thirty-six percent or more of each state's secondary system authorization would be used for resurfacing, restoration and rehabilitation.

A Senate provision expands the secondary system to incorporate rural routes in areas with a population up to 50,000 from the current 5,000 population limit. The Senate authorized $675 million for each fiscal year through 1980.

Federal-Aid Primary System

The House bill authorizes $2.1 billion for each fiscal year through 1982. Thirty-six percent or more of each state's secondary system authorization would be used for resurfacing, restoration and rehabilitation.

The Senate authorized $1.475 billion for each fiscal year through 1980.

Interstate System

Environmental Impact Statements (EIS) dates of 1989 and 1982 are established respectively in the House and Senate. Both bills establish 1986 as the date when all routes on the Interstate System must be under construction.

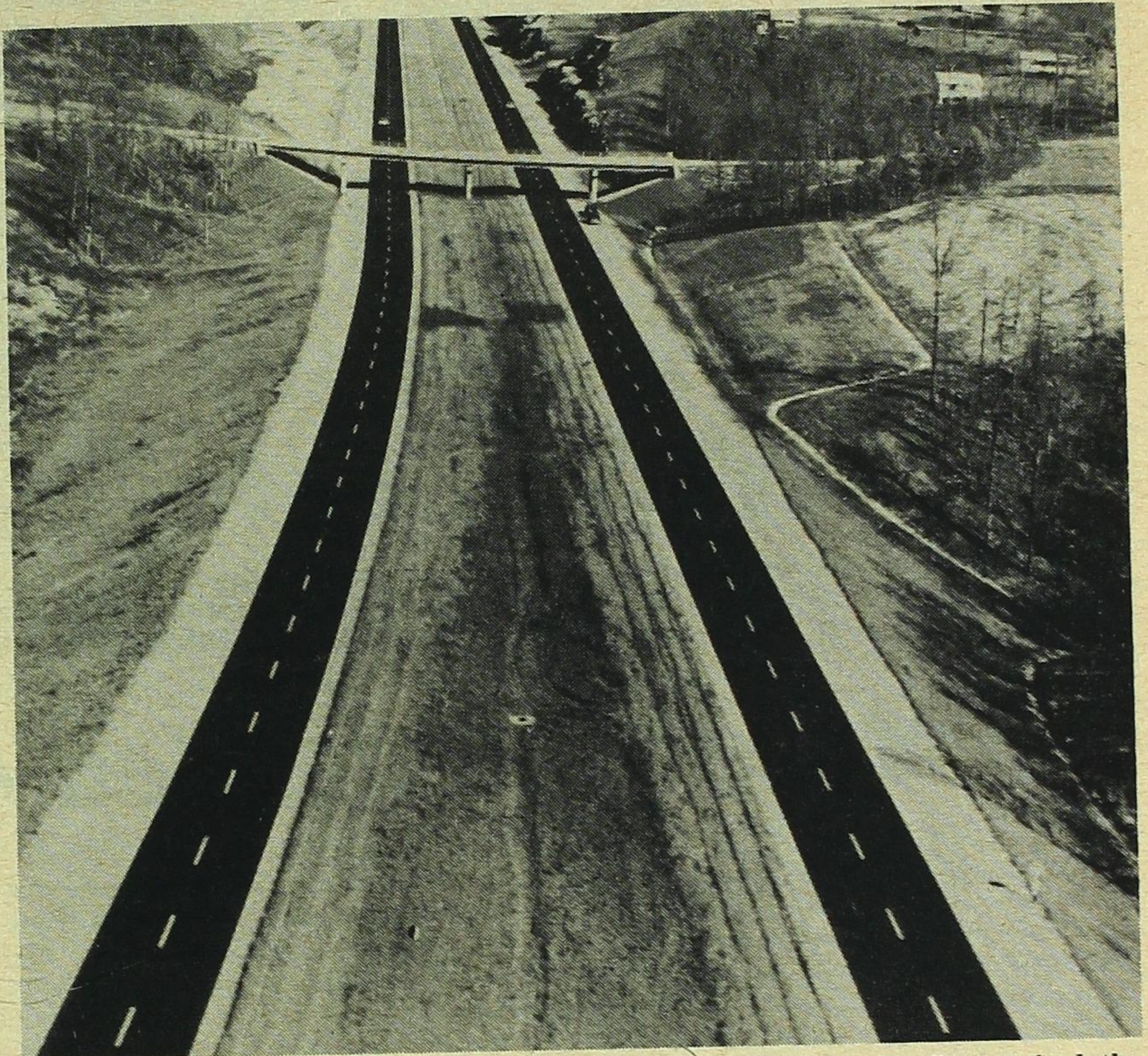
In the House bill, the federal share of the Interstate 3R (resurfacing, restoration and rehabilitation) program remains at 90 percent, while the Senate bill reduces the federal share to 70 percent.

Action Needed

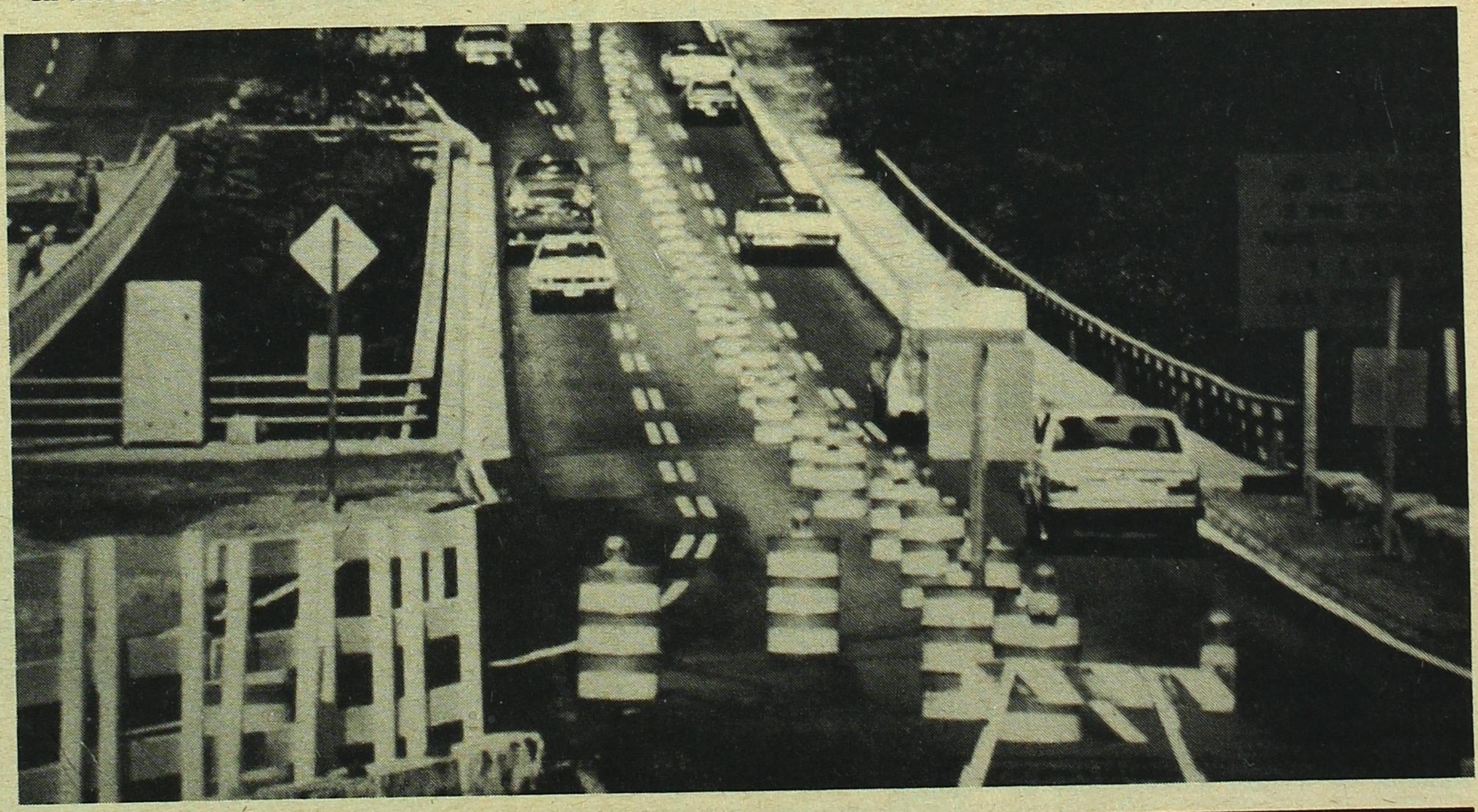
Most authorizations for highway and mass transit aid programs expire Sept. 30.

Because the House and Senate versions of the legislation differ widely, and because the end of the legislative session is fast approaching, there is a fear that conferees won't agree on a program fast enough to spare states and counties ill effects.

According to the Highway Users Federation, five states will have exhausted their Interstate Highway construction, primary system and secondary system funds by Oct. 1. An additional 39 states will have exhausted funds for at least one of those three program areas. Therefore, legislative agreement must be worked out very soon to continue highway program operations.

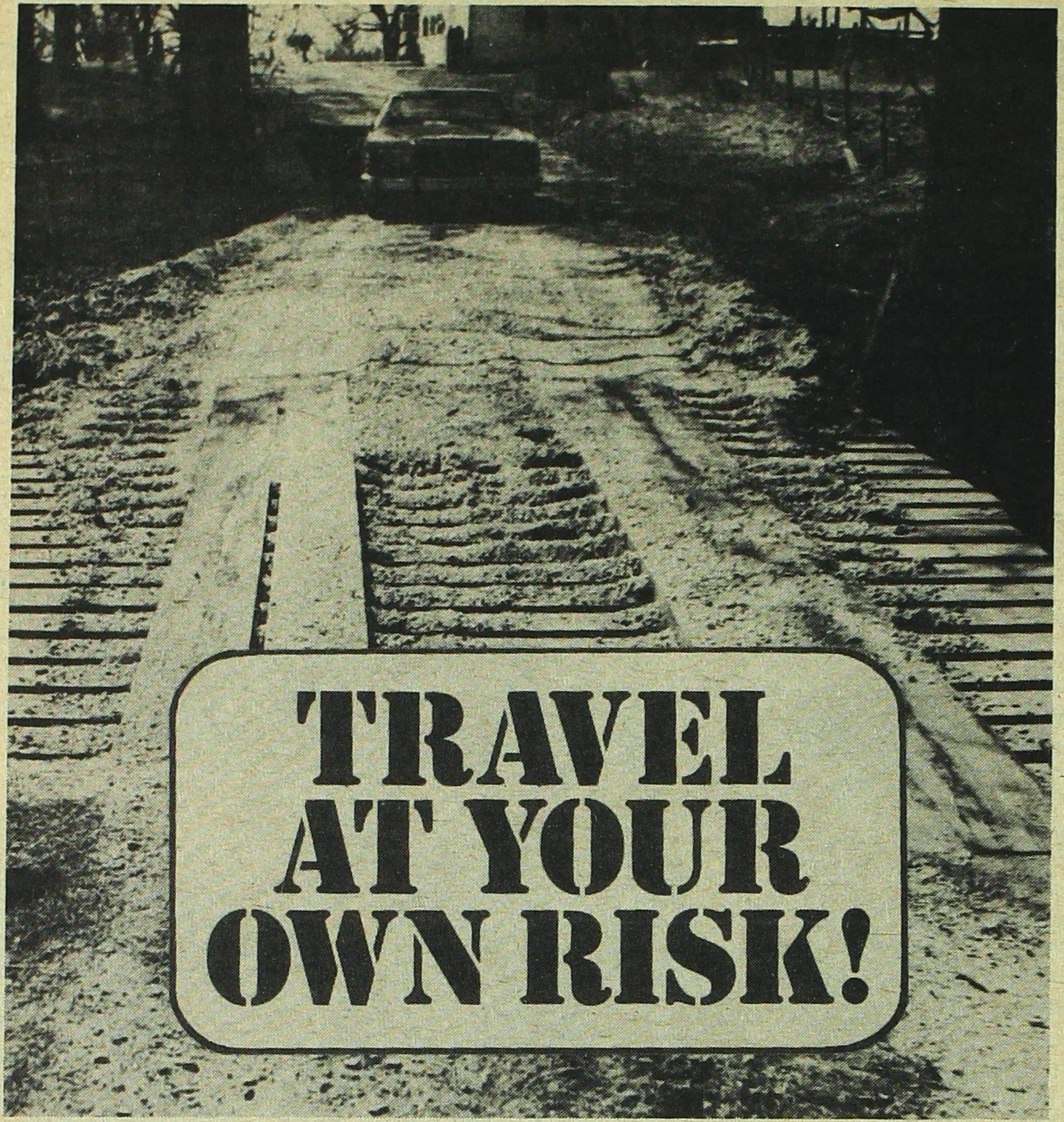


FROM NEW HIGHWAYS TO REPAIR OF EXISTING ONES—As originally conceived, the Highway Trust Fund was used solely to put a highway system into place—like the modern highway above which winds its way through the Appalachian Mountains. But now attention has shifted to maintaining and repairing those systems that are already in place and falling apart. Legislation, which the Senate has passed and the House is soon to act upon, contains authorizations for the 3R program—resurfacing, rehabilitation and restoration.



Policy is decided by the Transportation Steering Committee, chaired by Daniel T. Murphy, county executive, Oakland County, Mich. Staff contact: Tom Bulger.

Transportation



Bridge Funding Action Needed

Your help is needed now to obtain necessary sizable bridge authorizations in current congressional legislation.

The Senate has already approved $525 million, at 70 percent federal matching share, for the repair and replacement of bridges on and off the federal-aid system. In the Senate version up to a maximum of 25 percent and a minimum of 15 percent would be available throughout the states for off-system bridges.

The House is expected to vote shortly on its bridge program of $2 billion, at 90 percent federal matching share. At that time it is anticipated that the current House bridge authorization will be reduced to $1.5 billion ($200 million of which is discretionary). Included in the House bridge program is a maximum of 35 percent and a minimum of 25 percent for off-system bridges.

Action Needed

- Pass the House bill (H.R. 11733).
- Urge a speedy Conference Committee.
- Urge Congress to raise the federal matching share for these funds from 70 percent to 90 percent.
- Require that money be authorized for bridges off the federal-aid system as well as on the federal-aid system.
- Be sure counties have input in determination of most vital local bridge needs.

In order to achieve an expanded federal bridge program this year, contact your congressional delegation immediately and point out the urgent need for increased bridge funding.

Contact Tom Bulger, NACo, 202/785-9577, for latest bridge information and to offer your input concerning how your congressmen will vote.

No Need for Extended Aircraft Noise Deadline

The House has begun debate on aircraft and airport noise legislation. Meanwhile, Senate noise legislation, having been reported out of Senate Commerce Committee, has been stalled in Finance Committee. No date has been set for Senate floor action.

Counties are concerned with all aspects of the noise problem for two main reasons:

- As airport operators, counties are responsible for maintaining the economic viability of local air service.
- As local governments, counties are responsible for the health and welfare of their citizens.

What is needed is action based on a comprehensive approach which incorporates three elements: aircraft quieting at the source, aircraft and airport operating procedures, and land use controls around airports.

Senate Bill

Major provisions of the Senate bill include:

- **Planning:** Calls for the planning and carrying out of noise compatibility programs; would authorize funding to get this job underway. Establishes a much-needed single system for measuring noise and determining its impact on people. Identifies land uses which are compatible with various noise impacts.

- **Authorizations:** Increases the funding for airport development for fiscal '79 and '80. The increases are necessary because of the current grant request backlog within the Federal Aviation Administration (FAA).

- **Source Abatement:** Grants two- and three-engine aircraft an unwarranted five-year extension until 1990 to meet noise reduction requirements. Establishes a $20 billion loan guarantee aircraft replacement program based on two premises: that retrofitting of two- and three-engine aircraft provides inadequate noise reduction; and that the cost of retrofitting would be expensive compared to minor noise reductions.

NACo disagrees with these two premises and the bill's implementation program.

The impact of retrofitting two- and three-engine aircraft will, in NACo's view, have a substantial impact on noise reduction. Counties are concerned that 75 percent of the air carrier airports in the country would not receive any noise reduction benefits until 12 years from now.

NACo finds that the cost of retrofitting the entire nonconforming two- and three-engine fleet is truly modest compared to potential noise benefits and the number of communities receiving relief. In short, NACo does not support the source abatement provisions of the Senate bill because these provisions do not provide adequate aircraft noise reduction at the source.

House Bill

This bill would provide needed relief to counties affected by aircraft noise. Responsibility for reduced noise levels is placed upon the airlines and aircraft manufacturers. Major provisions are:

- **Planning:** Establishes a new program to help airports and surrounding communities develop and carry out programs to reduce existing noncompatible land uses and to prevent future noncompatible land uses around airports.

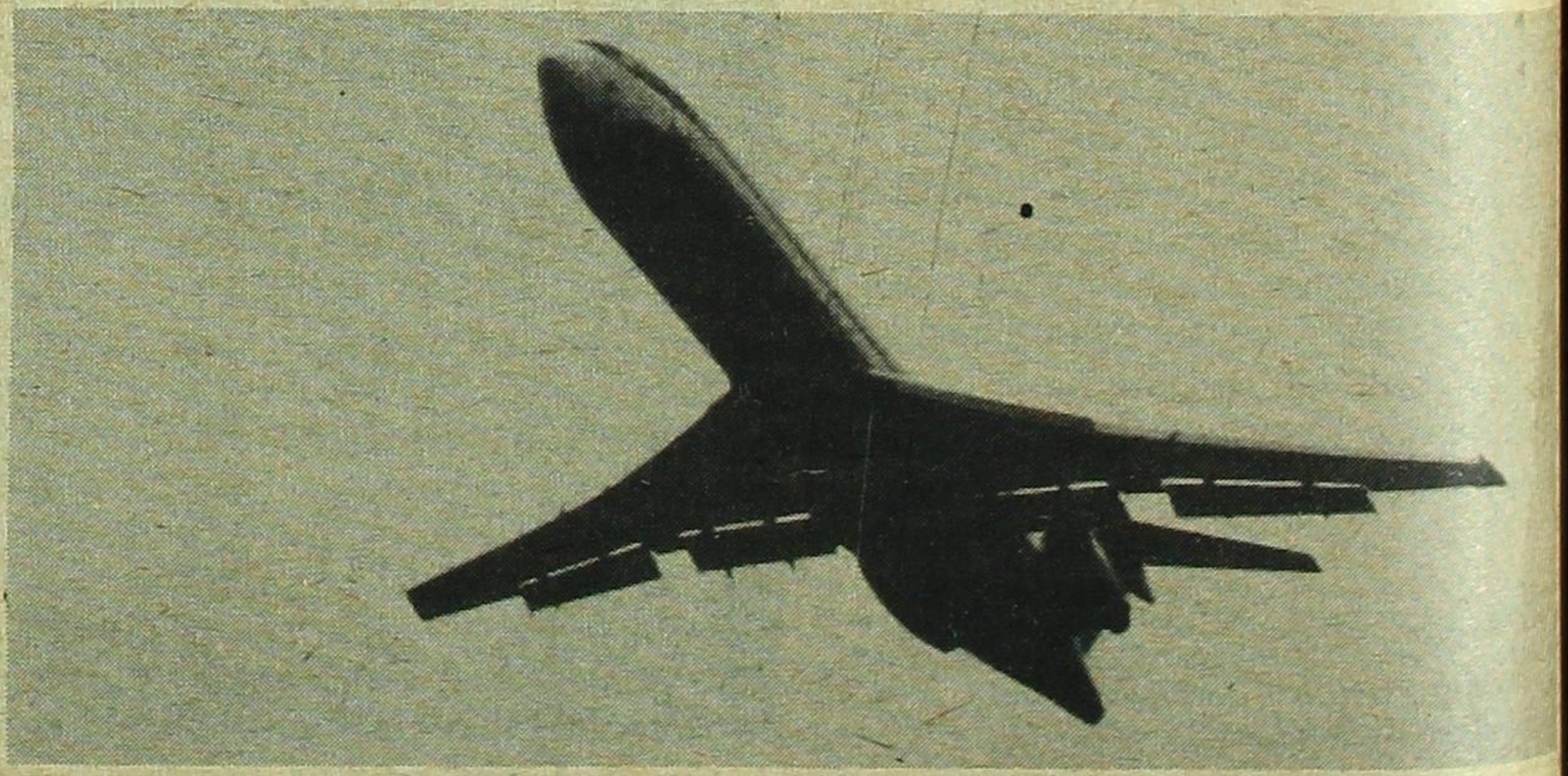
- **Authorizations:** Provides increased airport development levels for fiscal '79 and '80. The need for increased funding levels has arisen because of a backlog within FAA for aviation and commuter grants.

- **Source Abatement:** Requires the airlines to comply with FAA noise standards regulations by 1985. Compliance measures include: retrofitting noncomplying aircraft; replacing the engines of noncomplying aircraft; and replacing noncomplying aircraft with new aircraft.

Assistance is provided through a series of taxes on the users of the air transportation system for air carriers to meet the costs of complying with FAA noise regulations. NACo supports all major provisions of the House Airport and Aircraft Noise bill.

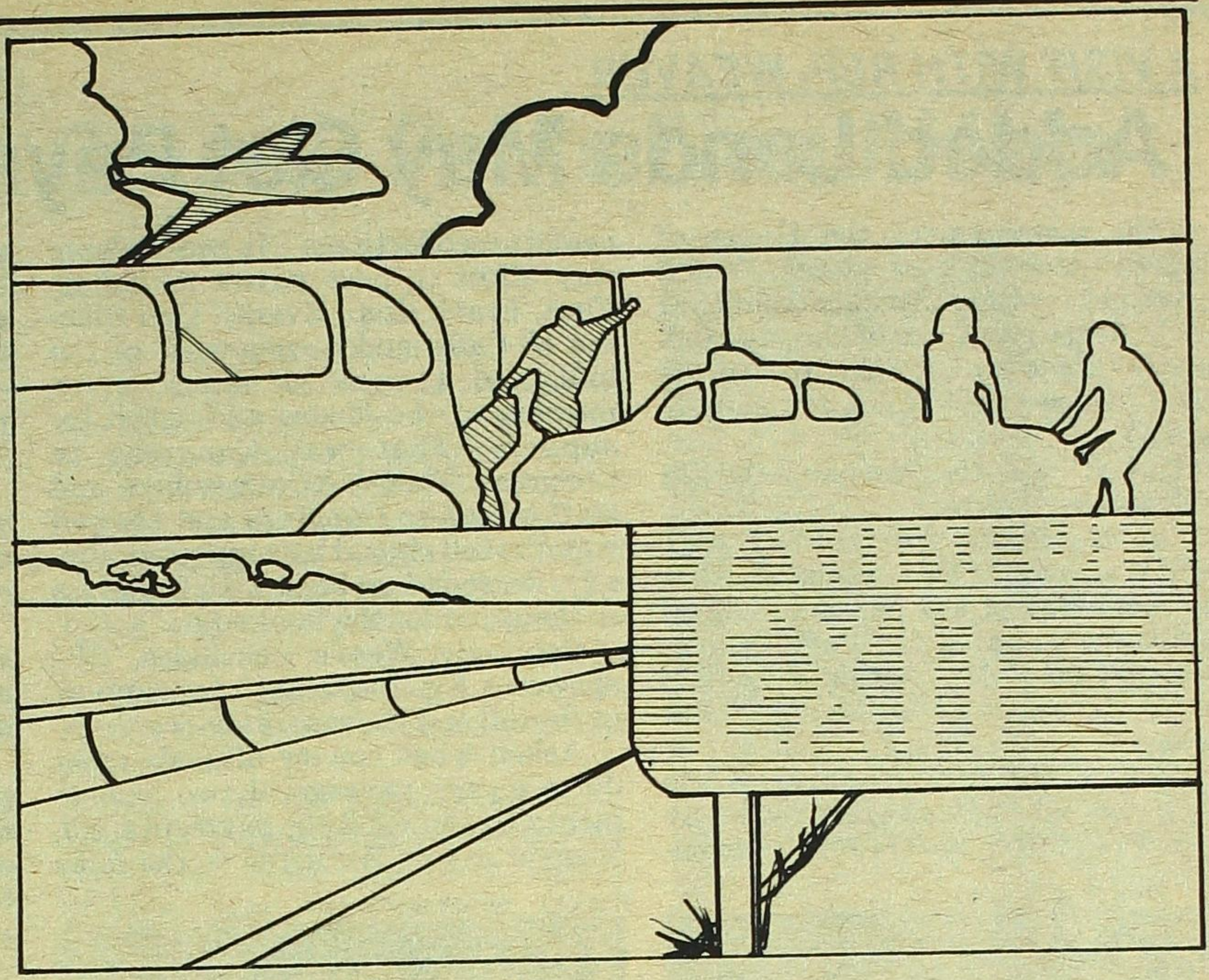
Action

Of the two aircraft noise bills before Congress, NACo generally supports the House approach. NACo believes that the airlines should not be granted compliance extensions.



ransportation

ublic Transit Bills Roll On, Vith Rural Operating Funds



Passage of new public transporta- n legislation is expected within two eks in both the House and Senate.

The House bill authorizes $7.44 bil- n, while the Senate bill authorizes 2 billion, over four years.

Capital assistance increases are y important to counties because of e great need to expand public trans- rtation services beyond central ies. The House version limits inter- ate transfer of highway trust fund ney for transit to $625 million tionwide. The Senate version in- des no artificially fixed limit on in- rstate transfers for public trans- rtation projects and is supported NACo.

Both the House and Senate bills thorize a new rural public transportation program beginning in fiscal '79. For the first time, the program would include operating assistance for rural programs. NACo urges speedy enactment of the much-needed rural public transportation program.

The bill, however, is under serious attack from Sen. Robert Morgan (D-N.C.), who has introduced an Administration-backed amendment cutting $1 billion from the legislation. This amendment would affect counties in two ways: It would cut sorely needed construction and operating funding, and it would delay enactment of the bill by the Senate.

Time is rapidly running out. NACo opposes Morgan's efforts and supports the legislation recommended by the Senate Banking, Housing and Urban Affairs Committee.

Analysis of Public Transportation Bills in Congress

House Bill	Senate Bill
Section 3	
A total of $1.86 billion for each year over four years is authorized for the acquisition, construction, reconstruction and improvement of facilities and equipment for use in mass transportation services. However, bus purchases would generally be available under Section 5 formula funds.	• A total of $6.2 billion is authorized over four years, with $1.4 billion in fiscal '79 and $1.6 billion in fiscal '80 through '82. Funds would be available for existing Section 3 purposes together with joint development and coordination with other modes. Bus purchases would be generally funded out of formula (Section 5) funds.
Section 3 funds are broken out as follows: —30 percent ($558 million): rail modernization and rehabilitation. —12 percent ($223.2 million): rail rolling stock. —38 percent ($706.8 million): new fixed guideways and extensions. —16.5 percent ($306.9 million): bus projects, urban development activities and multimodal facilities. —3.5 percent ($65.1 million): planning set-aside. Up to 15 percent of the funds can be transferred between categories.	• No specific categories are broken out, although 2 percent would be set aside for planning.
Annual authorization of $675 million is included for interstate transfer projects at 80 percent federal share.	• Interstate transfers are not artificially fixed, authorizations would be available as may be necessary at 90 percent federal share.
Section 5	
A total of $6.15 billion is authorized over the next four years for formula funds. In fiscal '79, $1.5 billion is authorized with $1.55 billion for fiscal '80-'82. An additional $100 million (Section 18) for commuter rail operating assistance would be available based on a formula to be developed by DOT.	• A total of $6.84 billion is authorized over the next four years. In fiscal '79-'80, $1.685 billion and in fiscal '81-'82, $1.735 billion is authorized.
The formula is made up of the following: —$850 million in fiscal '79 and $900 million in fiscal '80-'82 as the foundation authorization, distributed based on population and population density. —$250 million annually targeted 85 percent (212.5 million) to urban areas of over 750,000 population and 15 percent ($37.5 million) to urban areas under 750,000, distributed by population and population density. —$400 million for buses distributed by population and population density.	• The formula consists of the following: —54 percent based on population and population density. —14 percent based on population and population density in areas over 750,000 population. Funds directed to urban areas would be distributed: 85 percent to urban areas over 750,000 population and 15 percent to urban areas below 750,000 population. —4.5 percent based on commuter train miles. —4.5 percent based on fixed guideway route miles. —23 percent based on bus seat miles.
No set-aside.	• An annual set-aside of 2 percent for planning grants and 1.5 percent for innovative techniques is authorized.
• The foundation funds ($850 million) and the $250 million would be available for operating or capital assistance. The $400 million earmarked for buses would only be available for bus purchases.	• Formula funds, distributed under bus seat miles, would only be available for capital assistance. Other sections of the Section 5 formula would be available for capital or operating expenses.
• The current 50 percent local share of deficit would apply.	• Operating assistance would be limited to one-third of total expenses except areas which received federal assistance in excess of one-third in fiscal '78 would be exempt for four years.
• No discretionary funding is authorized.	• Discretionary funding totaling $891 million with $127 million in fiscal '79, $191 million in '80, $255 million in '81 and $318 million in '82, is included. Discretionary funding would be available for increasing operating assistance to one-half of subsidy as long as federal assistance does not exceed one-third of total operating expenses.
Planning	
• Committee approved a planning amendment in order to discuss consolidated planning with the Senate Public Works Committee at conference.	• Highway and transit funding sources for planning would be consolidated. Grants would be made directly to urban areas of over 200,000 population.
• Redesignation of new or existing MPOs remains one of NACo's important priorities. The redesignation language contained in the Senate Public Works bill is generally more acceptable than the Senate Banking Committee's "unanimous agreement" language in S. 2441.	• Redesignation of metropolitan planning organizations (MPOs) could occur if local governments unanimously agreed.
Rural Public Transportation	
• Authorizations of $125 million annually for rural public transportation programs. Appropriations would be made to the states based on each state's nonurban population. Funds would be available for capital and and operating expenses. DOT can waive 13(c) labor protection provisions in rural areas.	• Authorizations of $100 million annually for a rural public transportation program. Both capital and operating expenses would be eligible. Labor can waive 13(c) labor-protective provisions in rural areas.
Other	
• Authorized $100 million/year for multimodal terminal and joint development projects.	• No specific authorization was approved for multimodal terminal and joint development projects.
• Authorized $50 million/year for intercity bus assistance in rural areas.	• No authorization was approved for intercity bus assistance in rural areas.
• Loans made prior to 1970 would be converted to grants.	• Loans made prior to 1970 would be converted to grants.
	• Section 17 of the UMTA act would terminate in fiscal '78, and Section 18 would be repealed. Committee rail operating assistance would be funded out of Section 5.

Public Lands

A VISIT WITH REP. WEAVER

Added Lands May Get Payments

"The members (of the House of Representatives) kept saying, 'You'll never get it out of the subcommittee; you'll never get it out of the full committee; don't bother taking it to the floor 'cause you'll just get slaughtered.'"

The "it" was the Payments-in-Lieu of Taxes legislation.

The comments are those of Rep. Jim Weaver (D-Ore.), as he relishes his memories of the passage instead of the slaughter of the Payments-in-Lieu-of-Taxes Act during the final hours of the 94th Congress in October 1976.

Weaver, the floor manager of the payments bill that was introduced by Rep. Frank Evans (D-Colo.), continues his recollections: "It was a three-way effort to pass payments-in-lieu. First, Frank (Rep. Evans), Don Clausen (R-Calif. and a cosponsor of the bill), and I went to almost every member of the House and asked for support. That was Congress to Congress. Then NACo members and staff talked to Congress and showed why the bill should be supported. Finally, we ended up back with Congress to Congress for the final votes."

Smilingly, Weaver concludes, "We showed a legitimate need for support of the bill and the rest is history."

Asked what county officials must do to ensure passage of two amendments to the existing payments bill, Weaver says: "We listen to the folks at home. That's the way it should be." (The amendments add fish and wildlife refuges and inactive military lands to payments-in-lieu.)

Payments-in-lieu, he explains, passed "because of the total effort of NACo getting the word around."

And he warns: "You may only get one chance and if you miss it you are done." Action, he declares, on the amendments is "now."

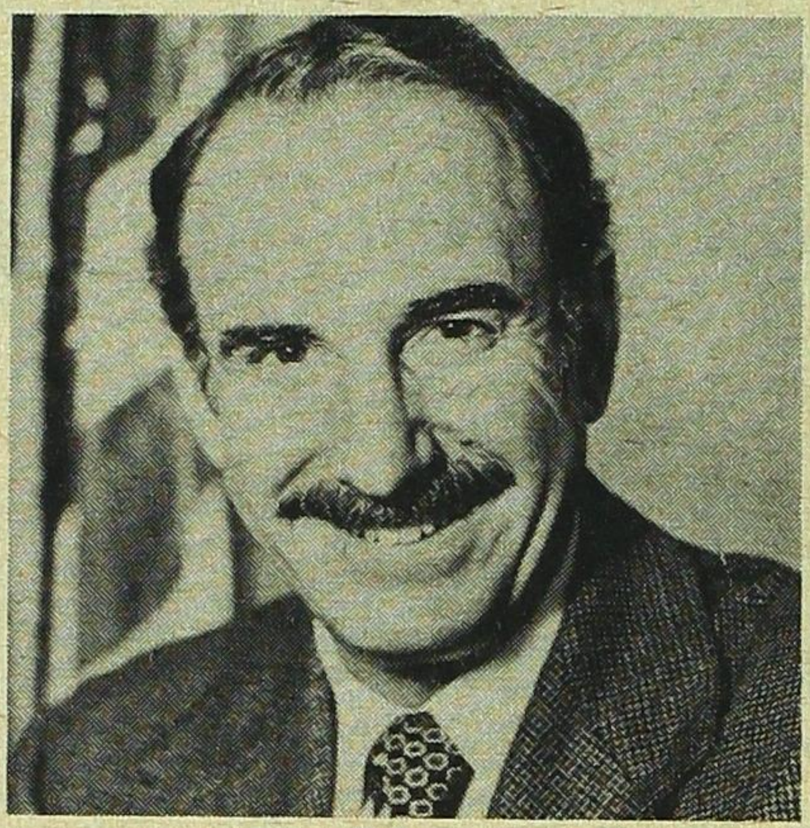
He counsels county officials to "have a clear idea of what you want and have your materials carefully drafted and clearly composed."

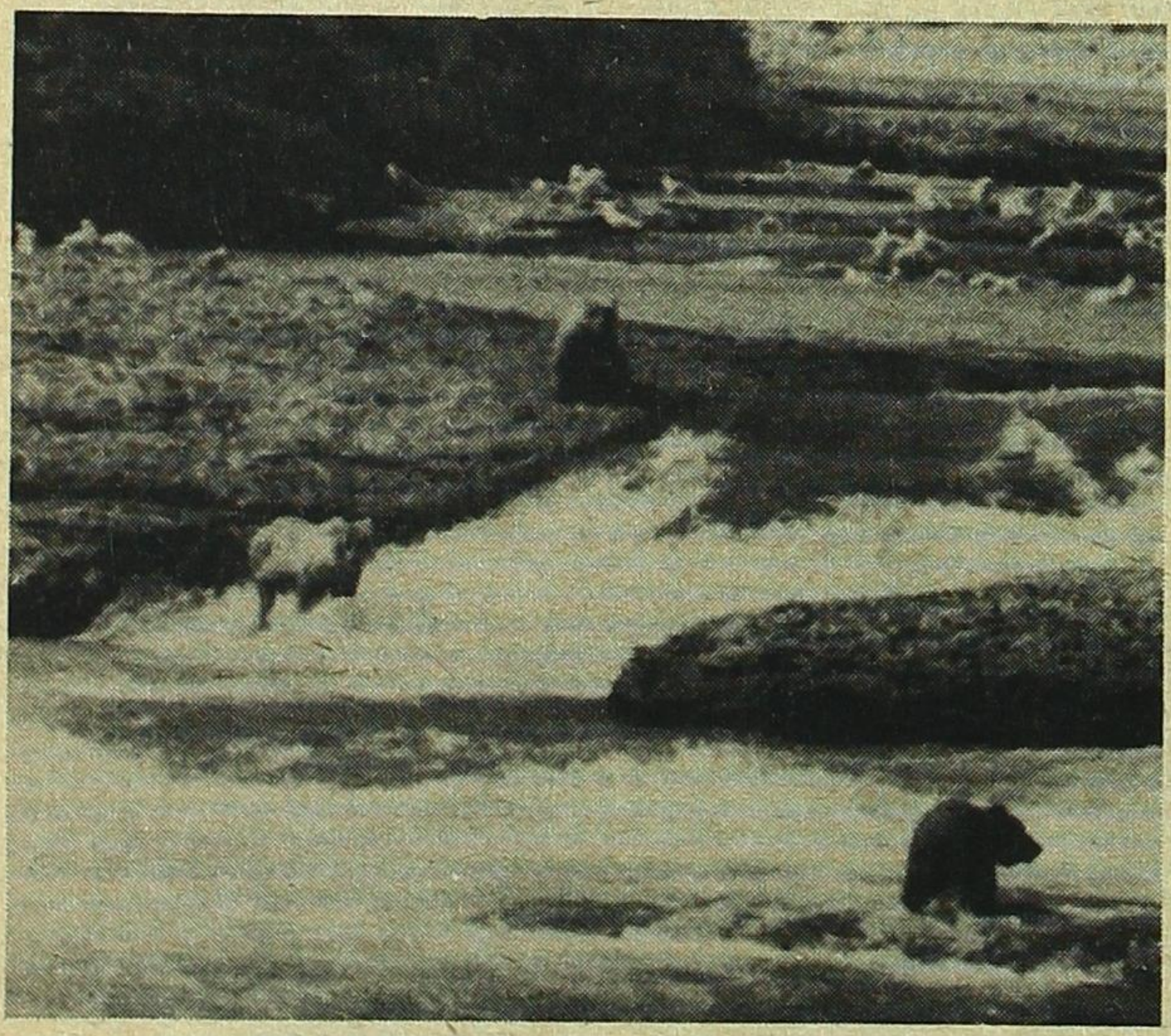
Send in documented good works made possible by payments. "Show the public and Congress how necessary and how well-spent the revenues from payments-in-lieu are," he advises.

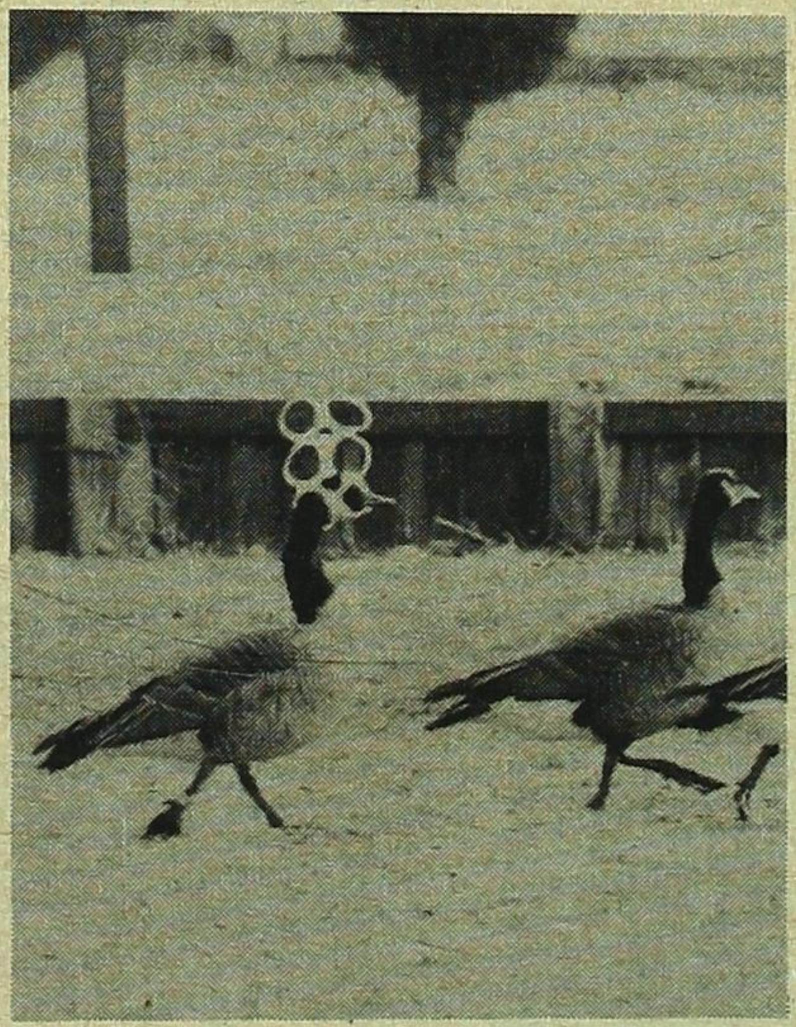
The federal government has an obligation to pay taxes on its property, he concludes.

The payment-in-lieu appropriation for fiscal '79, NACo's number one public lands priority, appears to be in good shape this year. The appropriation request of $105 million has cleared both the Senate and House. The appropriation is included in the Interior Appropriation bill which is now in conference committee to resolve differences between the House and Senate on other matters. The overall Interior Appropriation is well within budget projections and therefore no veto has been threatened.

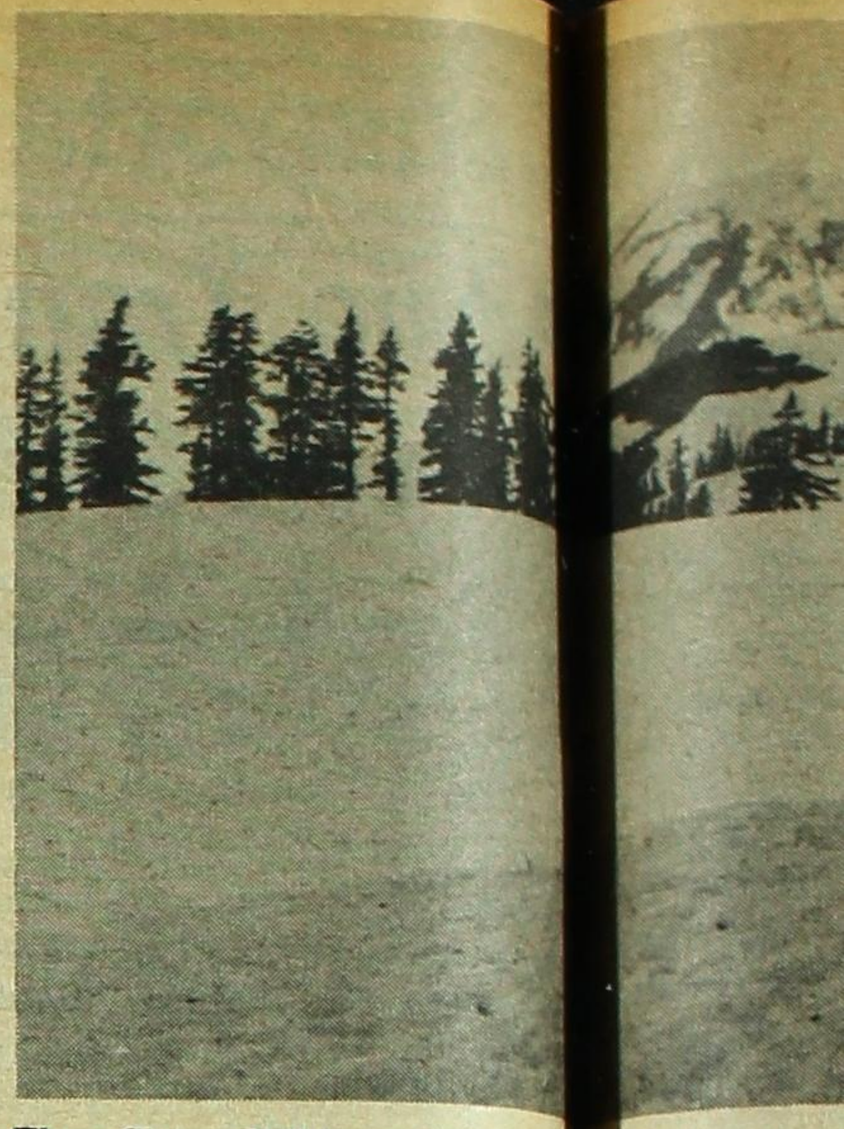

Weaver

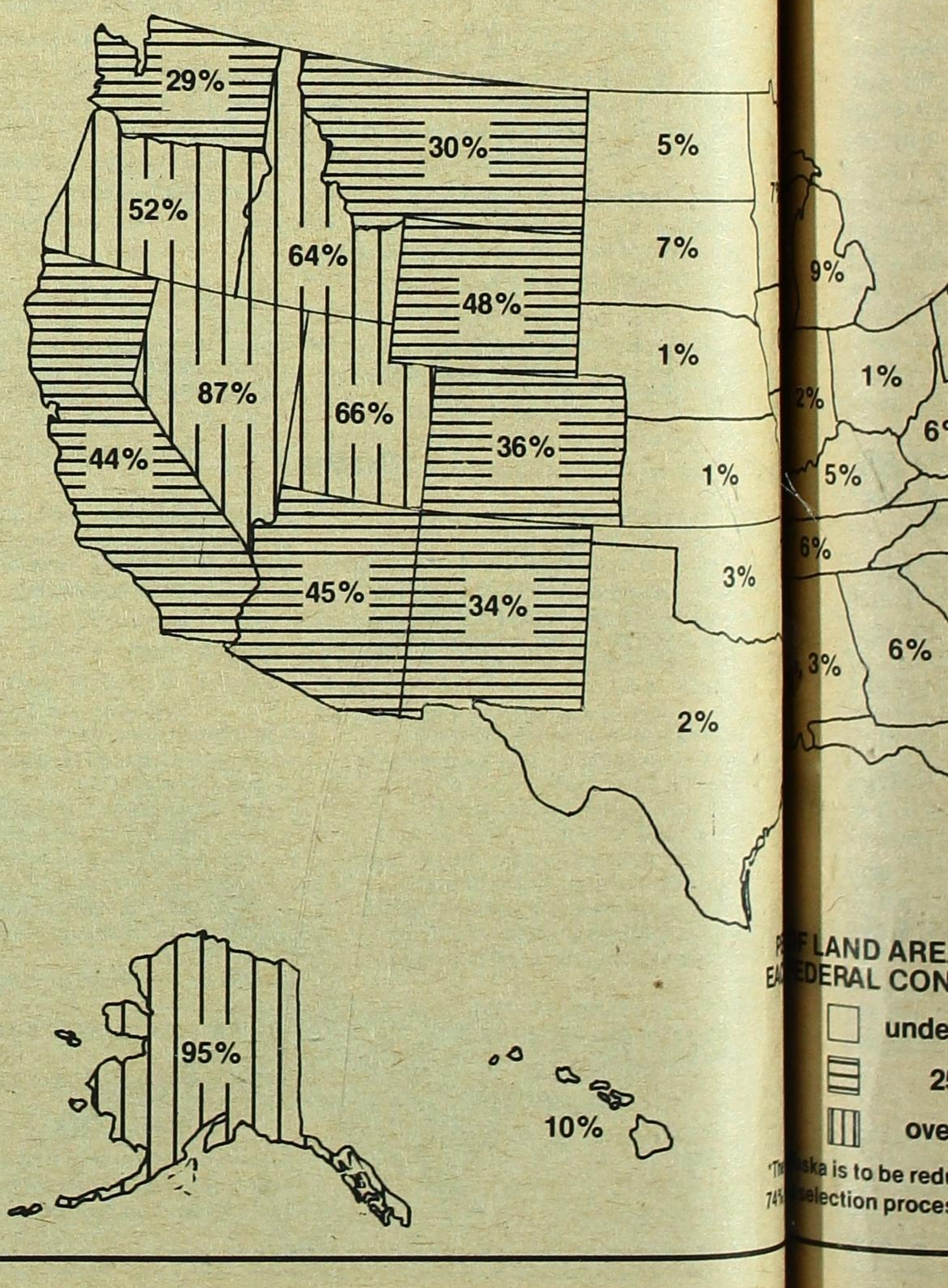

Evans





WILDLIFE REFUGES—The Refuge Revenue Sharing Act of 1978, if passed, would provide payments-in-lieu for wildlife refuges in 200 counties.





Land Use

SENATE BILL PENDING

Why Urban County Parks Need Help

When announced in March, President Carter's urban policy offered some hope for county park and recreation officials. The policy included an initiative to provide grants to local governments to rehabilitate park and recreation facilities in distressed urban areas.

Park officials now anxiously await action in Congress. The House has approved the urban parks initiative but the Senate has yet to act.

The need for the legislation was emphasized recently by James Taylor, secretary-director of the Essex County Park Commission.

Essex County covers an industrial area in northern New Jersey, including the city of Newark. Essex boasts the nation's oldest county park system, created in 1895. "At that time, Essex County was already being urbanized," said Taylor. "It didn't make any sense to stop park planning at the city line when urbanization continued past that line."

As a result, the county has been building and maintaining parks in Newark and other cities for 83 years. One such park is Branch Brook, 500 acres in Newark containing baseball diamonds, football fields, a lake, tennis courts, playgrounds, an urban day camp for youngsters, and senior citizen activities.

Today Branch Brook needs "massive rehabilitation," said Taylor. One of the major problems is drainage. Branch Brook and other parks in Essex County were built on swamp land. The original drainage—constructed prior to 1920—is now too "antique" to serve. Many of the areas used as football or baseball fields, Taylor pointed out, have settled as much as two feet and are often unusable because they are too wet.

According to Taylor, the county also needs to rehabilitate many of the old buildings, provide new sanitary facilities and replant trees lost over the years to disease and pollution.

"Literally millions of people rely on our parks as their only environmental contact outside of paved concrete," said Taylor. "We desperately need legislation to rehabilitate these parks."

Eligibility Questioned

The urban park initiative passed the House when it was attached to an Omnibus Parks bill designed to expand the national park system.

Sen. Howard Metzenbaum (D-Ohio) hopes the Senate will follow suit. Metzenbaum has drafted legislation which he plans to attach to the Senate's Omnibus Parks legislation. That bill is due on the Senate floor before Congressional adjournment.

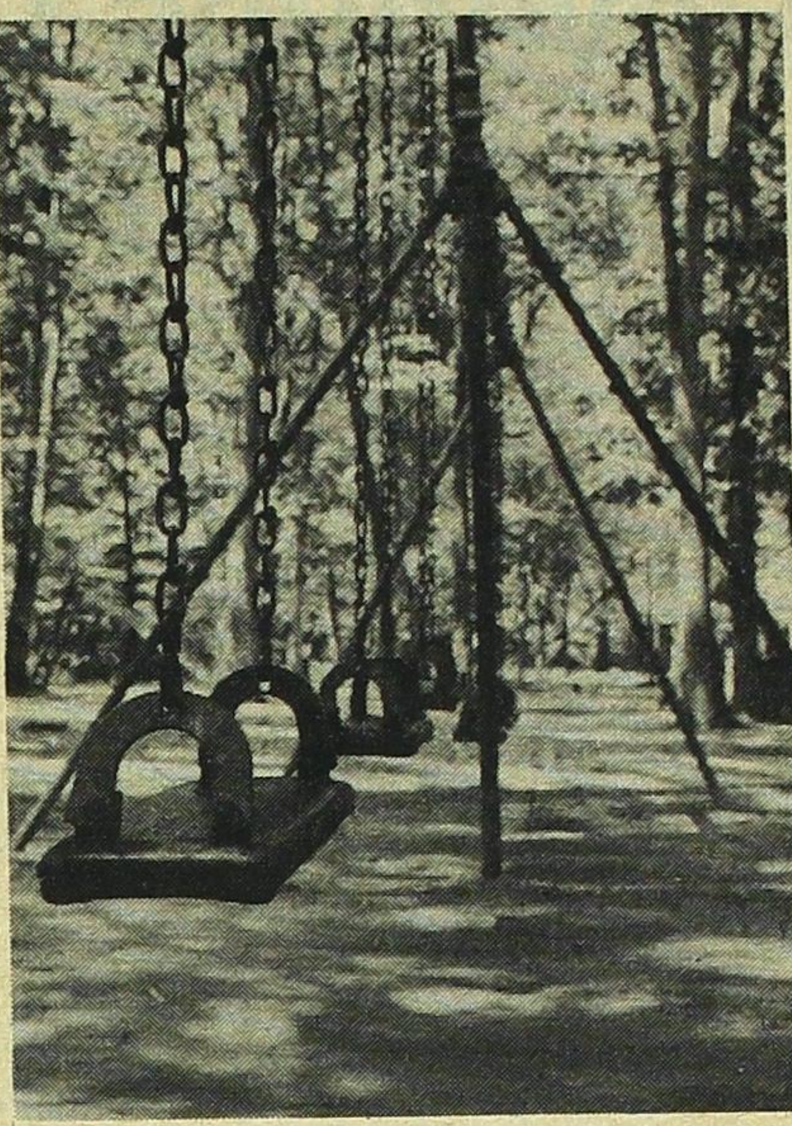
Even if the bill passes the Senate, however, a House-Senate conference committee must resolve a thorny problem—how to determine which communities will be eligible for the grants.

President Carter's original proposal would have based eligibility on the Urban Development Action Grant (UDAG) criteria. This includes purely statistical factors, such as the population of an area, unemployment, the age of housing, and the cost of living. Municipalities over 50,000 that met the criteria were eligible to apply. Counties over 100,000 were also eligible, but only after they excluded data from their central cities over 50,000.

NACo vigorously opposed the Administration's eligibility requirements because they were too restrictive and provided inequitable treatment for urban counties. Of the 217 urban counties throughout the country, approximately 70 percent have indicated they have countywide responsibility for parks and recreation, either in cooperation with municipalities or alone.

Metzenbaum's draft bill in the Senate is somewhat different. It would base eligibility on the UDAG criteria, but counties would not have to exclude data from their central cities.

The Metzenbaum draft would authorize 70 percent matching grants totalling $150 million annually for five years. In addition, it would set



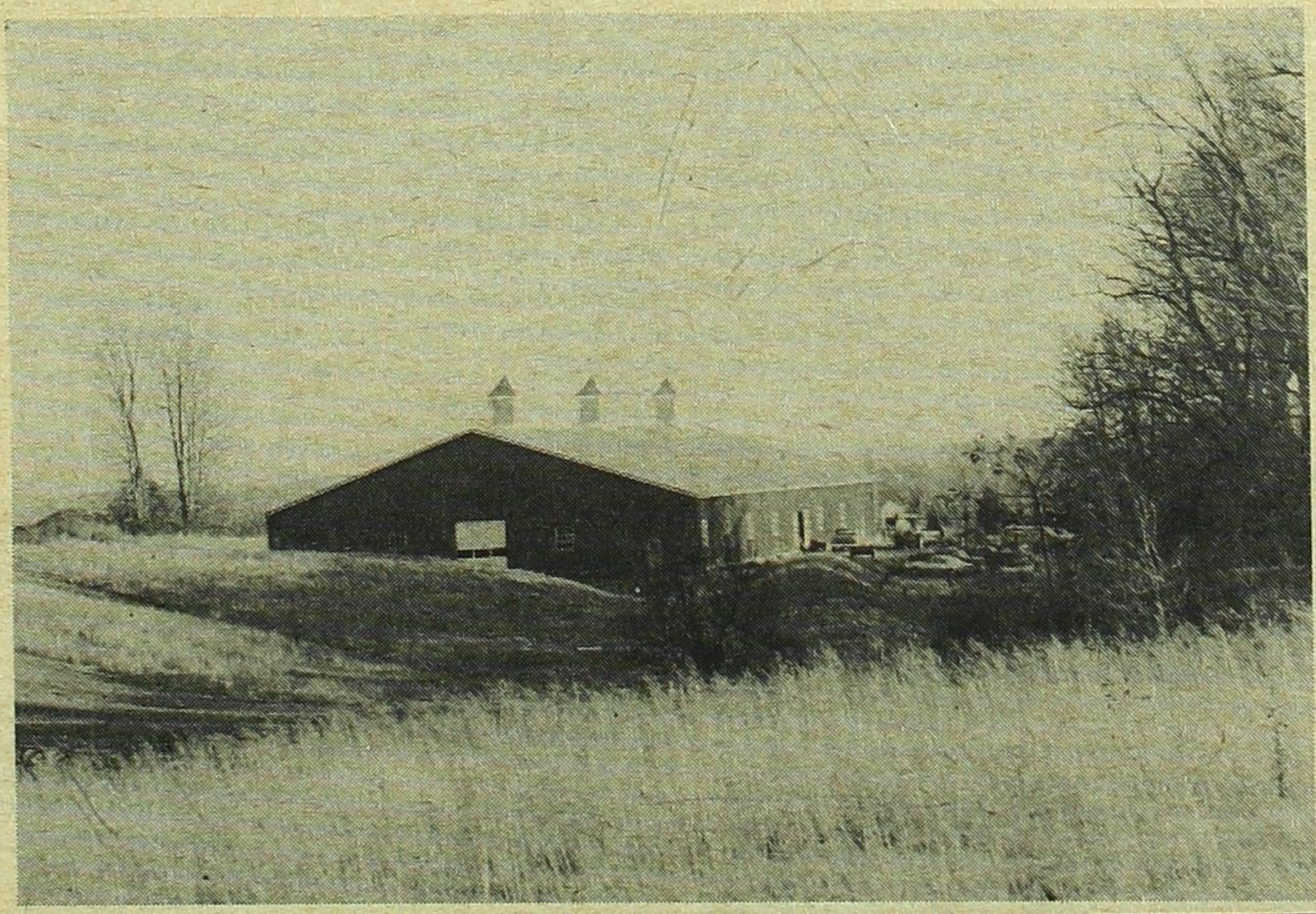
aside 15 percent of the total amount for local governments that do not qualify under UDAG criteria.

The House bill, on the other hand, has eliminated the UDAG eligibility criteria altogether. Any urban area would be allowed to submit a grant application. Grants would be distributed on the basis of the general needs of the community, the condition of the area's parks and level of economic distress.

Action Needed

NACo is supporting Metzenbaum's bill in order to get the urban parks initiative through the Senate. But once the legislation reaches a House-Senate conference committee, NACo will support the House provisions on how communities would be selected for grants.

NACo believes that the Senate bill, as drafted by Metzenbaum, is a decided improvement over the President's original proposal. However, the House version is even better because it does not bar any urban community whose parks need rehabilitation from applying for grants. The Secretary of Interior would then have the discretionary powers to decide which areas have the greatest need.



Hopes for Ag Land Bill Rest in Next Congress

House and Senate bills to preserve agricultural lands are dead in this session of Congress. As originally proposed, the legislation would have established a national commission to study the quality, quantity, and availability of prime farmland in the United States. The legislation would also have set up a demonstration grant program for local governments to seek new ways to preserve area farmlands.

Sponsors of the bill are preparing a new draft for introduction in January.

Policy is decided by the Land Use Steering Committee, chaired by Gerald Fisher, chairman of the board, Albemarle County, Va. Staff contact: Robert Weaver.

Environment and Energy

RELIEF IN SENATE BILL

Revenues Lag Behind Growth in Boom Areas

The Inland Energy Development Impact Assistance Act sprang from a report prepared for the President on the effects of increased energy production on communities throughout the nation. The report concluded that federal aid to these communities would be necessary to come to grips with the growing problems of social and economic dislocations resulting from new energy development.

Many of the affected communities studied had already experienced a doubling or tripling of their populations with no real increase in revenues. New revenues brought in by the energy developments were anticipated to fall short of the funds needed to cope with the growth by about $31 billion.

Bill Brennan, commissioner, Rio Blanco County, Colo., served on the steering committee which prepared this report. In testimony before a Senate environment and public works subcommittee this spring, Brennan said that "early funding for local planning efforts is one of the best ways to avoid the worst consequences of energy development.... Costs facing impacted communities over the next 10 years are enormous and the impact of development precedes increased tax revenues from development by up to five years."

One Hope for Help:
The Inland Energy Development Impact Assistance Act

The impact aid bill, now being considered by the Senate, would provide $150 million a year for five years in loans, grants and loan guarantees. Grants would be available for planning, for some services, and for communities which are financially unable to borrow. Loans would be provided from a revolving fund.

In addition, the bill contains a very strong role for local governments. The establishment of Energy Impact Assessment teams for each impact area would be required. The team, composed of an equal number of federal, state and local elected officials, would be responsible for identifying the impacts and linking funding with need. The teams would be required to work in close cooperation with the affected localities.

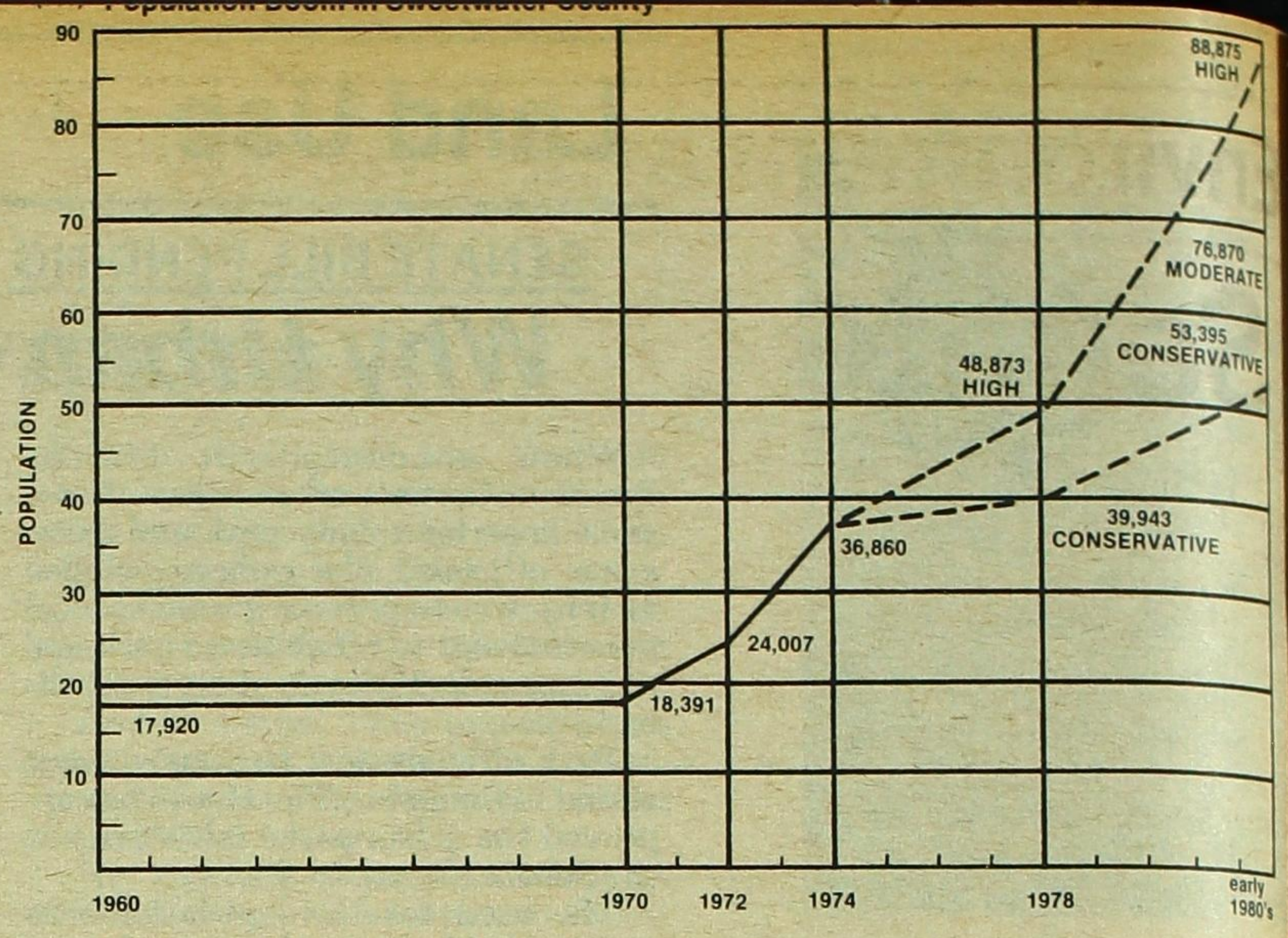
NACo supports immediate action to make sure this financial assistance is provided as soon as possible.

The bill was sponsored by, and enjoys the strong support of, Sens. Gary Hart (D-Colo.) and Jennings Randolph (D-W.Va.) who saw it through the Environment and Public Works Committee. The bill then went to the Government Affairs Committee where Sen. John Glenn (D-Ohio) introduced a substitute bill, very different from the original Hart-Randolph proposal. However, over the last couple of weeks, the Glenn version has been substantially rewritten so that the two versions are not so far apart. All parties have expressed confidence that the two versions can be reconciled and sent to the Senate floor.

The House has not taken any action on the bill. Members are waiting to see what form of action the Senate will take. Now, however, with time so short, a full House hearing won't be possible. The best hope at this time would be to attach the bill as an amendment to a public works bill. The danger in this course, though, is that the public works bills are in trouble and may turn out to be an inappropriate vehicle.

Action Needed

It is very important that your senator be contacted and urged to support the impact assistance bill when it goes to the Senate floor. On the House side, members of the Public Works Committee should be contacted and urged to support an amendment to the Local Public Works bill on energy impact assistance. See Public Works Committee at left.



What's Happened to Sweetwater County?

In 1970, two power companies announced plans for a new 2,500 megawatt power plant fueled by a 14-mile strip coal field in Sweetwater County, Wyo. At the same time, three existing soda ash companies began planning expansion and a fourth began construction plans. Since the population in the county has been stable with minimum unemployment, industry had to go outside the area to hire workers. By 1972, the boom was on and the need for county services began to outstrip the ability of the county to provide them.

House Public Works Committee

Democrats

Ronnie Flippo (Ala.)
Bob Stump (Ariz.)
Glenn Anderson (Calif.)
Harold Johnson (Calif.)
Norman Mineta (Calif.)
Billy Lee Evans (Ga.)
Bo Ginn (Ga.)
Elliott Levitas (Ga.)
John Fary (Ill.)
David Cornwell (Ind.)
John Breaux (La.)
David Bonior (Mich.)
James Oberstar (Minn.)
Robert Young (Mo.)
James Howard (N.J.)
Robert Roe (N.J.)
Jerome Ambro (N.Y.)
Henry Nowak (N.Y.)
W.B. (Bill) Hefner (N.C.)
Douglas Applegate (Ohio)
Ted Risenhoover (Okla.)
Robert Edgar (Pa.)
Allen Ertel (Pa.)
Marilyn Lloyd (Tenn.)
Dale Milford (Tex.)
Ray Roberts (Tex.)
Mike McCormack (Wash.)
Nick Joe Rahall II (W.Va.)
Teno Roncalio (Wyo.)

Republicans

John Paul Hammerschmidt (Ark.)
Don Clausen (Calif.)
Barry Goldwater Jr. (Calif.)
Gene Snyder (Ky.)
Robert Livingston (La.)
Tom Hagedorn (Minn.)
Arlan Stangeland (Minn.)
Thad Cochran (Miss.)
Gene Taylor (Mo.)
James Cleveland (N.H.)
William Walsh (N.Y.)
William Harsha (Ohio)
Gary Myers (Pa.)
Bud Shuster (Pa.)
James Abdnor (S.D.)

President/Hill at Odds Over Water Projects

The President's water policy is in serious trouble on Capitol Hill. The final bill may well be heading for a presidential veto.

Specifically, the President is faced with loosening of policies he wanted tightened, greater federal cost sharing rather than less, and 120 new water projects, including a number on the "hit list" of a year ago and 36 which have not received the customary review by the Army Corps of Engineers.

In an election year, with projects which affect every state and many congressional districts, a veto is likely to touch off a battle which will make last year's "hit list" fight seem like a minor skirmish.

Noise Control Bill Needs a Nudge

The full-scale assault launched on air, water, and land pollution during this decade has yet to be matched in a serious way in the fight against the invisible pollution—noise. The Noise Control Act of 1972 marked a beginning. Major sources of noise were identified and regulations controlling them have been published. More needs to be done, however.

The Quiet Communities Act of 1978 represents the next logical step in noise control. It is designed to help counties and cities set up their own programs to reduce the shattering effects of jets, cars, motorcycles, and trucks on our health and sanity. Federal funds could be used to buy equipment to measure the level of noise at various locations and to pay senior citizens to act as "noise officers." A total of $15 million would be available for this purpose and for administration of other noise control programs by the Environmental Protection Agency.

The proposed legislation, S. 3083, would also allow states and local governments to request permission from EPA to set tougher noise standards than those set by the federal government. Stricter standards are not allowed at present, which has meant that some local ordinances have been weakened by the uniform requirements of the 1972 law.

The bill has passed the Senate and is currently languishing in the House Rules Committee. There is no real opposition to the bill, but it is not a high priority for consideration by the House.

Action Needed

Passage can be assured by forcing the bill to vote by the full House. Please contact the following members of the House Rules Committee and request that they expedite the vote on H.R. 12647, the Quiet Communities Act:

Democrats

James J. Delaney (N.Y.)
Richard Bolling (Mo.)
B.F. Sisk (Calif.)
John Young (Tex.)
Claude Pepper (Fla.)
Gillis W. Long (La.)
Joe Moakley (Mass.)
Lloyd Meeds (Wash.)
Shirley Chisholm (N.Y.)
Christopher J. Dodd (Conn.)
Morgan F. Murphy (Ill.)

Republicans

James H. Quillen (Tenn.)
John B. Anderson (Ill.)
Delbert L. Latta (Ohio)
Del Clawson (Calif.)
Trent Lott (Miss.)

Environment and Energy

Senate Offers Best Bet for Cleanup

The Senate and the House differ over how much money should be spent on three environmental programs next year. At stake are millions of dollars in air pollution, water pollution, and solid waste programs.

In all three areas, NACo supports the Senate position because it provides more money for planning programs to counties and cities. The total Senate request, however, is below the amount the President sought in his budget request in January.

Clean Air

In the case of air pollution, the Senate approved $60 million for planning during fiscal '79 by counties, cities, or areawide agencies. The House bill contained $25 million, plus part of an additional $25 million which would be divided between clean air and solid waste planning.

Senate levels are important to local governments because, for the first time, many will take part in the involved process of planning for air quality. These governments will have to come to grips with how to achieve federal air quality standards, how to prevent clean air from becoming polluted and how to reconcile clean air with economic development. In addition, local officials will face major decisions relating to future growth, transportation and parking controls, and, in some cases, the establishment of vehicle inspection programs.

Clean Water

For water pollution control, the Senate measure would give $39 million to areawide "208" planning agencies, while the House bill provides $25 million. With those funds, agencies representing counties and cities may continue their work in determining how to deal with such diverse problems as stormwater runoff from streets and farmland, pollution from septic tanks and landfills, treatment of industrial waste before it enters public treatment facilities, and issues relating to the size and location of sewers in high growth areas. Without the funds, the billions of dollars poured into sewage treatment facilities will not achieve their potential effectiveness in providing part of a well-balanced pollution control effort.

The House bill provides $4.2 billion for construction grants while the Senate approved $4.25 billion.

Solid Waste

In solid waste, the Senate and House have already agreed to give $15 million to counties and cities to conduct market and engineering studies on the feasibility of recovering energy and materials from garbage. However, they have not resolved the amount that state and local governments should receive for planning purposes. The House would grant $11.2 million, plus a portion of the $25 million split between air and solid waste. The Senate would provide $26.2 million. These funds are needed to determine the best method of meeting environmental requirements in changing from open dumps to sanitary landfills. If the larger amount is not forthcoming, all of the funds will be used up by the states, leaving none for the local governments with responsibility for finding solutions.

Bulletin

House-Senate conferees voted on the environmental sections of the EPA appropriations bill, H.R. 12936, as *County News* was going to press. Water quality planning received $32 million; air planning, $54 million; solid waste planning, $11.2 million plus $15 million for resource recovery feasibility studies. Sewage treatment grants were set at $4.2 billion. After the conferees complete their report, both Houses will need to approve it.

Gas Battle Holds Up Energy Conservation

When President Carter called the fight for a national energy policy the "moral equivalent of war," he was well aware that the bloody battles would be fought in Congress. So it has proved.

Despite its prominence on the President's list of legislative priorities, the future of the National Energy Act is dubious.

The energy conservation funding sections, those most important to counties as well as other noncontroversial sections are now being "held hostage" pending passage of the controversial compromise on natural gas pricing.

The President and congressional leaders have insisted on this "eat your spinach before dessert" strategy, because there is considerable interest in passage of the remaining sections, particularly the energy conservation portion. However, support for the gas compromise, never strong, is eroding. If the compromise is defeated, there may be no National Energy Act this session.

The sections of the act which would provide funds to local government have already been agreed to by the conferees, and need only to come to a vote on the floor of both Houses. The Department of Energy has even begun developing regulations to allocate the funds. If the sections are not passed this fall, all this work would in vain. The entire legislative process, including hearings, would have to be repeated in the next session.

NACo urges that every possible step be taken to expedite consideration of the natural gas pricing bill so that other sections may be favorably acted on before the end of the session.

Energy Conservation Means County Dollars Saved

Even in the absence of federal funds, some counties have invested in an energy management program that has saved them money. Nassau County, N.Y., for example, found out how its county buildings were using and losing energy; by changing wasteful practices the county has saved $5 million in five years. San Diego and Los Angeles Counties in California installed computerized building management systems to control heating, air conditioning and lighting, which may amount to energy savings of almost 50 percent.

Energy conservation programs may have a payback time ranging from months to four or five years. The preliminary energy audit—finding out where the energy is being lost—and the analysis as to how practices or structures can be modified do cost money. The energy conservation programs in the National Energy Act would provide financial assistance to local governments to help with those up-front costs, and could bring energy conservation programs within the reach of every county.

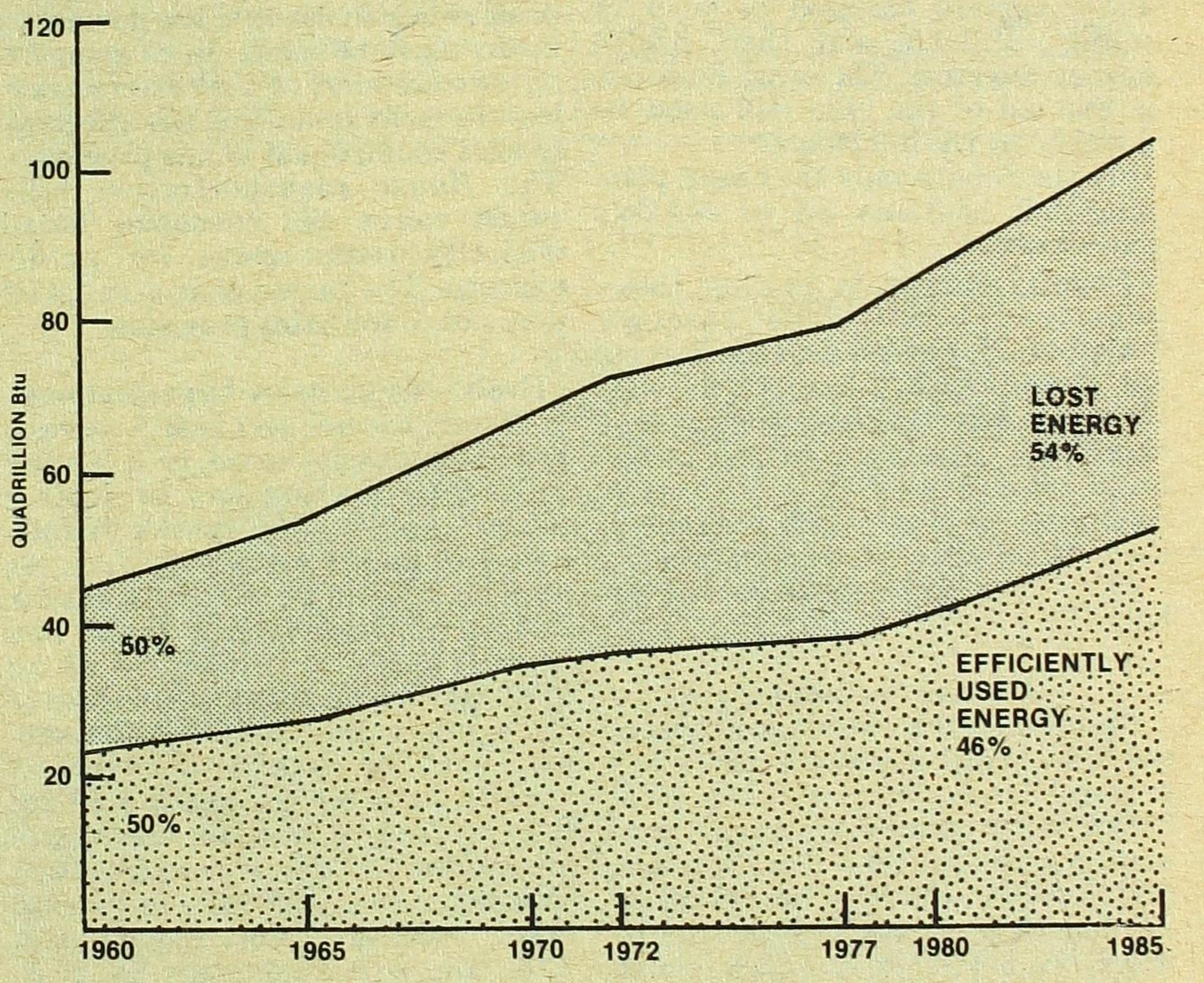
Specifically, $7.5 million would be authorized for each of fiscal '78 and '79 for energy audits and $25 million for technical analysis for local government buildings. A parallel program would be authorized by schools and hospitals at $20 million (fiscal '78) and $5 million (fiscal '79) for energy audits. Money would also be provided for reimbursement of the technical analysis and the costs of making building changes at $300 million for each of fiscal '78, '79, and '80.

Federal funds would provide seed money to help even smaller counties make an investment for energy savings. This potential languishes while the Senate debates the natural gas compromise.

Action Needed

The leadership of both Houses needs to be made aware of the importance of the energy conservation portions of the bill to counties, so that they will allow these sections to come to a vote this session. Write, telegraph or phone your delegation and ask them to contact Speaker of the House Tip O'Neill, Senate Majority Leader Robert Byrd and Minority Leader Howard Baker to allow early consideration of the remaining sections of the National Energy Act.

The failure to pass any National Energy Act will have serious repercussions for the nation in international money markets, leading to a serious drop in the value of the dollar. Just as important, delay means lost energy dollars for local government. Don't let Congress freeze us out this winter!



The nation is wasting more energy than it is using, and without conservation, this trend will increase. (Source: U.S. Department of the Interior, 1974).

Policy is decided by the Environment and Energy Steering Committee, chaired by Jim Hayes, supervisor, Los Angeles County, Calif. Staff contacts: Robert Weaver, environment; Mark Croke, energy.

Health

House Bills Boost County Role

Health is an area where the amount of money Uncle Sam pays out for such programs as health planning, health maintenance, community health centers, health services to children and disease prevention has made little difference to county governments.

For until this session of Congress, federal health legislation has actually served to preclude counties from participating in a host of federally supported programs.

As one county official noted, "It doesn't matter whether the grants are large or small; if counties can't participate, it's a big zero."

In health planning, for example, the charge was that county officials' involvement would turn the planning process into a political football. And this same idea was repeated in one program after another.

But the ballgame has changed. As you can see by the accompanying chart, the House has come through for counties in five important health areas. These bills have been amended and programs changed in favor of county officials and their health agency directors. The snag, however, is that all of the bills still must be voted on by the full House.

In the Senate, only the health planning bill contains all of NACo's amendments.

County success in getting these important health bills through Congress this session depends first on the House's ability to work its way through a very crowded calendar in a short time, and then on the acceptance by a House-Senate conference committee of the version containing the NACo-sponsored amendments.

Here's a more complete look at the bills.

Disease Prevention

This legislation amends portions of the Public Health Services Act which provide funds to state and local health departments for health promotion activities. The House version (H.R. 12370) calls for a new program of "health incentive grants," under which the federal government, states and local governments would share costs for public health services, including control and prevention of environmental hazards, communicable diseases and health problems of especially vulnerable persons, i.e., the elderly, poor, and children. Of special importance, counties would be able to decide where to use the funds—an immunization program for school children versus a rat control program for rundown areas. The Senate bill (S. 3115) sets up a different funding mechanism for states for some preventive services, and with less local discretion on how the funds can be spent.

Health Care Centers

Companions to the disease prevention proposals are bills which reauthorize federal grants for several varieties of comprehensive health care centers. In addition to continuing these programs, the House bills (H.R. 12370 and H.R. 12460) would enable counties to become direct recipients of funds. Currently, in order to receive federal funds for comprehensive health centers, the governing board must be made up of a majority of consumers of the centers' services. In most areas, this has effectively shut counties out of the programs. The House reauthorization bills would waive the consumer board majority requirement for public agencies. The Senate version (S. 2474) does not contain this provision.

Health Bills	House	Senate
New Initiatives in Preventive Health	Counties would set their own priorities for allocating funds; **needs floor action.**	Establishes different funding mechanism for states with less local discretion; **needs floor action.**
Health Planning (HSAs)	Requires all HSAs to include local representation; makes private HSAs accountable to elected officials; strengthens authority of public HSA governing body; **needs floor action.**	**Senate passed** containing all NACo amendments.
Health Maintenance Organizations (HMOs)	Permits general purpose local governments to sponsor HMOs; **needs floor action.**	**Senate passed** without NACo provisions.
Health Centers	Allows counties to run neighborhood, migrant and mental health centers; **needs floor action.**	Continues barriers to county operation of health centers; **needs floor action.**
Child Health Assessment Program (CHAP)	Expands Medicaid for children, increases federal match, continues involvement of county health departments; **needs floor action.**	**Awaits action** by the Senate Finance Committee

ACTION STEPS: Counties should press for the House to pass the above bills and for a conference committee to accept the House version which contains NACo amendments.

Health Maintenance Organizations

County control over health services would be strengthened in a similar fashion by amendments to another federal program, the Health Maintenance Organization (HMO) Act. As with health centers, federal funds for HMOs, which are prepaid health care plans, require that one-third of an HMO governing board be members of the organization. Contra Costa County, Calif., for example, has demonstrated that a prepaid health plan can deliver effective, efficient services to low-income and elderly persons. Yet it cannot become a federally recognized HMO because of this requirement. The House amendments to H.R. 13655 would waive this requirement for public HMOs, replacing it with an advisory board. The Senate has passed its HMO bill (S. 2534) without NACo's provision.

Health Planning

The Health Planning and Resources Development Act of 1974 created independent regional agencies (Health Systems Agencies, or HSAs) to conduct a wide variety of health planning activities. It gave the HSAs, which are designated by the Department of Health, Education and Welfare, "teeth" in the form of review and approval over many kinds of federal funding, and review and comment over still other types of local health spending. The governing boards of HSAs, which authorize all HSA actions, were chosen by an electoral process completely independent of local government, and were in no way accountable to local government. The boards must include representation by a wide variety of interests.

Pending amendments to the health planning act (H.R. 11488, S. 2410) would build HSA accountability to counties by requiring all HSA governing boards to include representatives of general purpose local governments; to pay greater attention to public health and disease prevention; and to give technical assistance and training to their governing boards.

Twenty-five HSAs nationally are themselves agencies of local government. In these cases, the agency has a separate governing body for health planning which meets the HSA board requirement. The health planning amendments strengthen the authority of the public HSA's governing body over the separate health planning body, so that local governments can assume the health planning functions without contradicting their own policies regarding budget-setting, personnel actions, etc.

Child Health Services

One activity long shared by many counties is the provision of preventive health care for children. This year the Administration proposed a child health assessment program (CHAP) which would revise and expand the existing early and periodic screening, diagnosis and treatment (EPSDT) program for low-income children. CHAP would make more children eligible for more Medicaid-funded services, and increase the federal share of the costs up to 75 percent to 90 percent, depending on the state. Many county health departments provide children's services which are reimbursed by Medicaid. The original CHAP proposal would have excluded many counties from participating, but the House committee which acted on the bill accepted NACo's amendment to permit health departments to continue their involvement. CHAP now awaits action on the floor of the House and by the Senate Finance Committee.

Policy is decided by the Health and Education Steering Committee, chaired by Terrance L. Pitts, supervisor, Milwaukee County, Wis. Staff contact: James Koppel.

NO FEDERAL RELIEF

Hospital Costs Still a Headache

Counties concerned with skyrocketing hospital costs are not likely to see relief soon in the form of federal intervention. Strict hospital cost containment legislation proposed by the Administration and supported by NACo has been debated by four congressional committees, with widely differing, probably irreconcilable results. The only hope for some kind of cost containment lies in amendments to Medicare/Medicaid legislation to be proposed on the Senate floor by Sens. Gaylord Nelson (D-Wis.) and Edward Kennedy (D-Mass.). The Nelson amendment would establish stand-by federal cost controls, which would be activated in states where a voluntary effort to hold down cost increases failed.

Hospital cost containment remains important to counties for two reasons: it is needed to alleviate the strain on the budgets of counties which reimburse hospital costs under Medicaid or any other assistance program; and hospital costs are squeezing out an increasingly large portion of the health dollar, leaving fewer resources at all levels of government to devote to public and community-wide health efforts, such as the health services and health incentives programs described in the related article.

axation and Finance

Countercyclical Aid May Be Lost

n less than two weeks, the Anti-ession and Fiscal Assistance Act, mmonly known as countercyclical, ll expire. If this is allowed to hap-n, approximately 1,700 counties re-ving countercyclical aid will have eived their last payment under the ogram.

The program can be saved, however, if H.R. 2852, which is slated for Senate floor action this week, passes. After the Senate has acted, the countercyclical bill will be attached to another bill already passed by the House, and sent to House-Senate conference committee to hammer out a compromise. Then the bill must be voted on by both Houses.

The legislation provides for a two-year extension of the Antirecession and Fiscal Assistance Act. It is projected to distribute $600 million to $700 million to local and state governments whose unemployment rates are over 4.5 percent. This assistance, under Title 1, will operate when national unemployment is 6 percent or greater. Unlike the present program, under which no funds are distributed when the national unemployment rate falls below 6 percent, the extension legislation also provides for funds when the unemployment rate is between 5 percent and 6 percent.

Counties hard-hit by unemployment may use countercyclical funds to provide services and jobs on a short-term basis. The funds are used by urban and rural counties alike.

If the program terminates Sept. 30, many counties who have already included such funds in their fiscal '79 budgets would be drastically affected.

County Executive John Klein of Suffolk County, N.Y. reported that in his county, the loss of countercyclical would mean not only a direct loss of federal aid to Suffolk County, but would also signal a reduction in aid distributed by the state.

"New York State has budgeted $111 million in countercyclical funds for this year, all of which is to be passed through to counties and cities," he noted.

"Without these funds, counties like Suffolk will be forced to rely on the already overloaded property tax to pay costs currently funded by countercyclical monies."

In rural Pulaski County, Va., County Administrator Robert McNichols relates that countercyclical funds permit short-term efforts to ease the effects of the county's 8.5 percent unemployment rate. Pulaski County receives about $16,000 a year in countercyclical funds. "That may not sound like much," said McNichols, "but to us, every dollar counts these days."

Policy is decided by the Taxation and Finance Committee, chaired by Elisabeth Hair, commissioner, Mecklenburg County, N.C. Staff contact: Elliott Alman.

ROPOSED ANTITRUST BILL

Counties May Recover Damages

Legislation designed to enable local vernments to recover damages un- federal antitrust laws is currently nding before the Senate and House. e Illinois Brick legislation, as it is mmonly referred to, has been re-rted out of the Senate and House diciary Committees. It is awaiting tion in the House Rules Committee fore it reaches the House floor for a te.

The bill overturns a recent Supreme urt decision that interpreted the titrust laws as applying only to rect purchases of a price-fixed item. unties and cities are virtually ways indirect purchasers. As a sult, the court decision forces the local governments to absorb the increased costs without offering them any recourse at law. The taxpayers, in the final analysis, will be paying higher costs for goods and services.

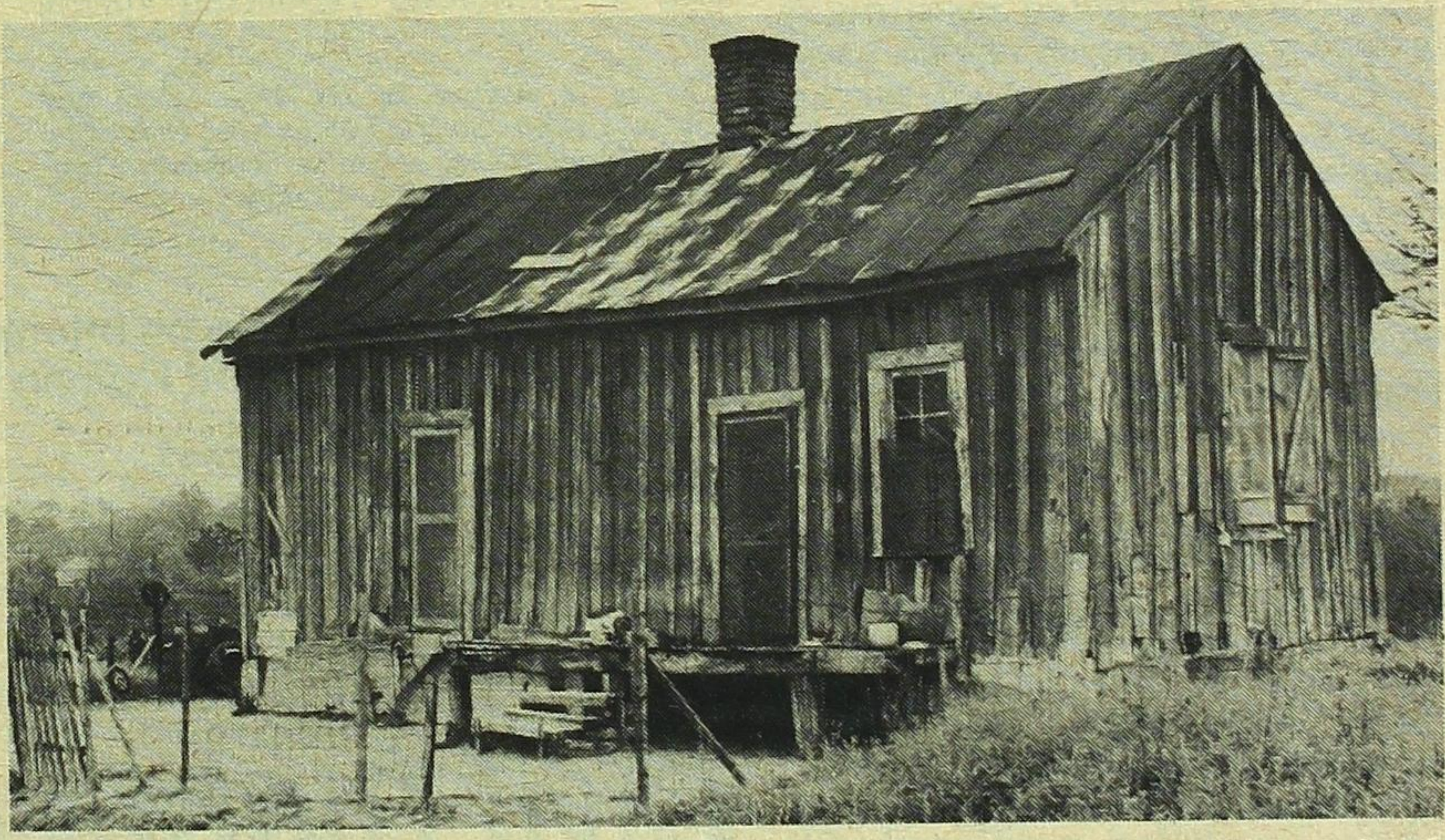
The Supreme Court ruling also jeopardizes $200 million to $300 million in cases currently pending in court, that were brought by state and local governments against antitrust violators.

Action Needed

Contact members of the House Rules Committee and Senate leadership and urge them to schedule floor action on H.R. 11942 and S. 1874 as soon as possible.

ural Development

enate Cuts Threaten Vital Rural Programs



Counties applauded when Appropriations Committees in both the use and Senate this session report- fiscal '79 agricultural bills con-ning increased funding for the ral Development Act grant and n programs.

These programs have historically en severely underfunded. The wait- list for water and waste disposal ants alone exceeds $1 billion. Both asures would have made available, the first time, a full funding level $300 million annually for water and wer grants. The rural planning pro-am, originally funded in fiscal '78, uld have continued at the same el of $5 million. The rural housing ograms, desperately needed in rural unties, would have received modest reases, and rural fire protection ants would have continued at a el of $3.5 million.

The full House agreed to these ding levels. But when the Senate sion reached the floor, a series of endments were added. These non-al development amendments in-ased total funding above Adminis-tion requests, and in order to avert ossible presidential veto, the Sen- voted to cut $165 million from the . However, rather than making uctions in those same nonrural elopment programs which created spectre of a veto, the slashes, in-ad, came entirely from the rural development levels recommended by the Appropriations Committee.

Commenting on why rural development funds are important, King County (Wash.) Executive John Spellman, NACo third vice president, said, "Even an urban county like King is very concerned that adequate rural development monies be available for use in our outlying areas. These funds help provide low income housing, new water systems, and loans for construction of facilities such as day care centers in rural areas.

"If these cuts are not reinstated, many of our nation's rural counties would have to continue without adequate water and sewer supplies. This would occur at a time when federal and state laws are mandating improvements in these services. As a result, rural business and industries may be forced to close down and workers will become unemployed," he said.

(millions of dollars)

Program	House	Senate
Water and Sewer Grants	$300	$265
Rural Development Planning Grants (Section III)	5	—
Housing Rehabilitation Grants (Section 504)	24	19
Farm Labor Housing Grants (Section 504)	38	33
Technical Assistance Housing Grants (Section 525)	2.5	—
Mutual and Self Help Housing Grants (Section 523)	16.5	13.5
Rural Community Fire Protection Grants	3.5	—

The Senate cuts in rural housing, for example, would constitute a $17.5 million reduction in funds, and would completely eliminate the Section 525 technical assistance housing grants. These programs are designed to not only improve the available housing stock, but also stimulate employment.

The Section III rural development planning grants, after only one year of availability, would be terminated in the Senate bill. While only providing $5 million annually, the demand for this program exceeds $24 million. The planning grants would have served to coordinate the use of other rural development assistance and would ultimately result in a more efficient and economical use of federal funds. Also, the rural community fire protection grants would be eliminated.

Action Needed

A House-Senate Conference Committee on Agriculture Appropriations will be meeting during this week. County officials must urge the House and Senate conferees to adopt the funding levels contained in the House-passed bill. These levels represent the original funding provided by both the House and Senate Appropriations Committees. (See accompanying chart.)

Policy is decided by the Taxation and Finance Committee, chaired by Elisabeth Hair, commissioner, Mecklenburg County, N.C. Staff contact: Elliott Alman.

Home Rule and Regional Affairs

House Must Understand Need for Grant Reform

A bill designed to save counties substantial funds by streamlining the complex grants-in-aid system is destined to die as time runs out in this session of Congress.

Hill sources indicated that the bill, commonly known as the "Grant Reform Act", will not be reported out of the Senate subcommittee on intergovernmental relations before the scheduled Oct. 7 adjournment, but will have a high priority next year.

The same, however, cannot be said for the House counterpart, the subcommittee on intergovernmental relations and human resources whose members have given grant reform only cursory attention.

Testifying on the burden of federal paperwork in grant programs, Suzanne Muncy of Montgomery County, Md. told the Senate subcommittee in July that a NACo report illustrates that "mandated reporting and planning requirements, paperwork, and duplication of effort cost, on the average, 11 percent of actual program expenditure."

Muncy, president of the Council of Intergovernmental Coordinators, a NACo affiliate, cited the following example:

"When these costs are multiplied by project grants across our nation, the savings involved in better management of limited resources is big money—big money which could be better spent for actual service delivery," Muncy said, citing the example of a Michigan Tri-County's experience with completion time and costs for some Comprehensive Employment and Training Act (CETA) grants. The costs for completion of just 10 basic grant documents was 2,996.2 hours at a cost of $38,040.42 to the jurisdiction.

The omnibus grant reform measure would:

- Standardize nine national policies (e.g. citizen participation, environmental studies);
- Allow local governments to certify annual compliance with nation policy requirements;
- Assist counties in planning their program budgets by providing advance funding for the succeeding fiscal year and five-year projections of budget outlays;
- Amend the Joint Funding Simplification Act to encourage federal agencies to enter into joint funding agreements.

An additional important component of the bill would benefit counties by allowing counties (after the second year of enactment) to obtain information on federal dollars flowing into their jurisdictions. Counties could then seek out presently unknown programs which are duplicating county efforts and make necessary management decisions toward consolidation or elimination.

In its testimony, NACo has also requested the subcommittee to add a section that would standardize federal financial reporting requirements. There are between 20 and 25 financial reporting forms awaiting completion by a county at any given time. Since these forms require almost the same information, unifying them would reduce time and costs.

Action Needed

There is apparently little support for the grant reform bill among House subcommittee members. Counties need to document how much money is eaten up by federal requirements in the grants-in-aid system. Efforts should be made now among both House and Senate subcommittee members to stress the need for reduced paperwork, duplication of effort, and operating costs in federal aid programs. Tell these congressmen that if grant reform can't make it this session, then you want to see it high on their priority list in January.

Rural Grants Reform

Rural areas would have benefited from a bill introduced by Sen. John Danforth (R-Mo.) which contains many of the provisions of S. 3267 but gives preference to communities under 50,000 population.

The bill, commonly referred to as the "Small Communities Act" (of 1978), has not been reported out of the subcommittee on intergovernmental relations because of the lack of a companion bill on the House side. Here again, counties should work to have such a bill introduced in the next session.

Policy is decided by the Home Rule and Regional Affairs Steering Committee, chaired by John Mulroy, county executive, Onondaga County, N.Y. Staff contact: Bruce Talley.

Completion Time and Costs for Basic Grant Documents for CETA Titles I, II, III (SPEDY and 303), VI

	Suffolk County			Lansing Tri-County		
Basic Grant Document Items	**Completions**	**Hours**	**Total Costs**	**Completions**	**Hours**	**Total Costs**
Preapplication	5	7.5	$87	5	3.8	$48.24
Application	12	18	209	5	3.8	48.24
Grant Signature Sheet	12	12	139	10	7.6	96.4
Grant Application Narrative				5	2,400	30,471.4
Program Planning Summary	12	168	1,958	20	200	2,539.2
Budget Information Summary	12	420	4,894	15	180	2,285.1
CETA Monthly Schedule	12	36	419	4		114.2
PSE Occupational Summary	9	153	1,463	4	160	2,031.0
PSE Program Summary	9	9	105	4	16	203.1
Vocational Educational Nonfinancial Agreement	4	1	46	1	16	203.1
Total Items: 10		**824.5**	**$9,320** excluding narrative		**2,996.2**	**$38,040.42**

The most significant information supplied by the prime sponsors participating in this study concerned the number of times each paperwork item had to be completed per year, the hours necessary to do so and the total costs. Each prime sponsor responding to NACo's survey gave specific detailed answers in columns headed "Times Completed Per Year" (Column 5), "Total Time to Respond" (Column 10), and "Total Costs to Respond Per Year" (Column 16) alongside each paperwork item required for the basic grant documents. This information has been pulled out and displayed in this chart in order to aggregate the data and make comparisons among the responses received.

Subcommittee on Intergovernmental Relations and Human Resources

Democrats

L.H. Fountain (N.C.), Chairman
Don Fuqua (Fla.)
Glenn English (Okla.)
Elliott H. Levitas (Ga.)
Henry A. Waxman (Calif.)
John W. Jenrette Jr. (S.C.)
Michael T. Blouin (Iowa)
Les Aspin (Wis.)

Republicans

John W. Wydler (N.Y.)
Clarence J. Brown (Ohio)
John E. Cunningham (Wash.)

Lobby Exemption Only in Senate Bill

NACo and other associations representing local units of governments and their officials won a battle in the Senate last month and will by trying to win the war in the conference committee to continue to be exempt from registration under a lobby act.

The Senate victory, an amendment sponsored by Sen. James Sasser (D-Tenn.) exempts NACo from registration under the lobby disclosure bill, S. 2971. A similar bill passed by the House (H.R. 8494) does not exempt public interest groups from registration.

County officials should contact members of the Senate Governmental Affairs Committee urging them to continue to permit NACo and other public interest groups exemption from registration.

The full bill has not been reported out of committee. It is unclear as of this date whether the Senate Committee will reconvene this session to finish work on the bill.

Civil Rights Liability Still Uncertain

The historical immunity of state and local governments from liability under a section of the Civil Rights Act of 1871 is being challenged both in court and in Congress.

The Civil Rights Improvement Act of 1977 would eliminate this historical right and also eliminate the common law immunity enjoyed by prosecuting attorneys.

The issue of absolute immunity for local units of government may have been made moot by a recent Supreme Court ruling against the traditional right. In June, the high court held that cities are not absolutely immune from liability under Section 1983 of the Civil Rights Act of 1871. The decision was against the city of New York (Monell vs. Department of Social Services of the City of New York).

The justices did not specifically include counties in their ruling; however, they strongly implied that all local units of government and school boards could be affected. The court did not abolish liability for every action of the government and its employees, but indicated that the extent of the government's liability for an employee's actions would have to be determined on a case by case basis.

Section 1983 of the Civil Rights Act of 1871 has been the main federal statute authorizing redress to citizens whose rights have been violated by governmental action. Past court decisions have been limited to monetary damages that could be sought only against the government employee who committed the act in question (police officer, administrator, etc.). County legislators have had the common law immunity for actions in performance of their legislative duties, and units of government have been previously held immune from suits.

The next session of Congress will take up S. 35 and decide on the extent of immunity of local units of government and their officials. Howard Pachman, county attorney of Suffolk County, N.Y., in his testimony before the Senate Judiciary subcommittee on the Constitution summed up the feelings of local government officials: "I note the frustration of many county officials for being subject to a Section 1983 suit by one party for performing a duty, while being subject to a Section 1983 suit by another party for not performing the same duty".

Home Rule and Regional Affairs

COMMUNITY REVITALIZATION

State Plans Must Include Counties

Counties must begin to take a more active role in promoting economic development of distressed communities, both at the state and federal level.

The State and Community Conservation and Development Act of 1978 (H.R. 12859), commonly referred to as the "state incentive aid" program, provides $400 million for fiscal '79 and fiscal '80 in competitive grants to help states revitalize distressed or declining communities.

NACo favors state plans for revitalization, but supports the right of county governments to sign off on all proposed state strategies. As Cliff Tuck, Intergovernmental Coordinator, Shelby County, Tenn., said in testimony before the Senate subcommittee on housing and urban areas, "the Secretary should not approve such a (state) plan until the state and local governments have had an opportunity to negotiate their concerns."

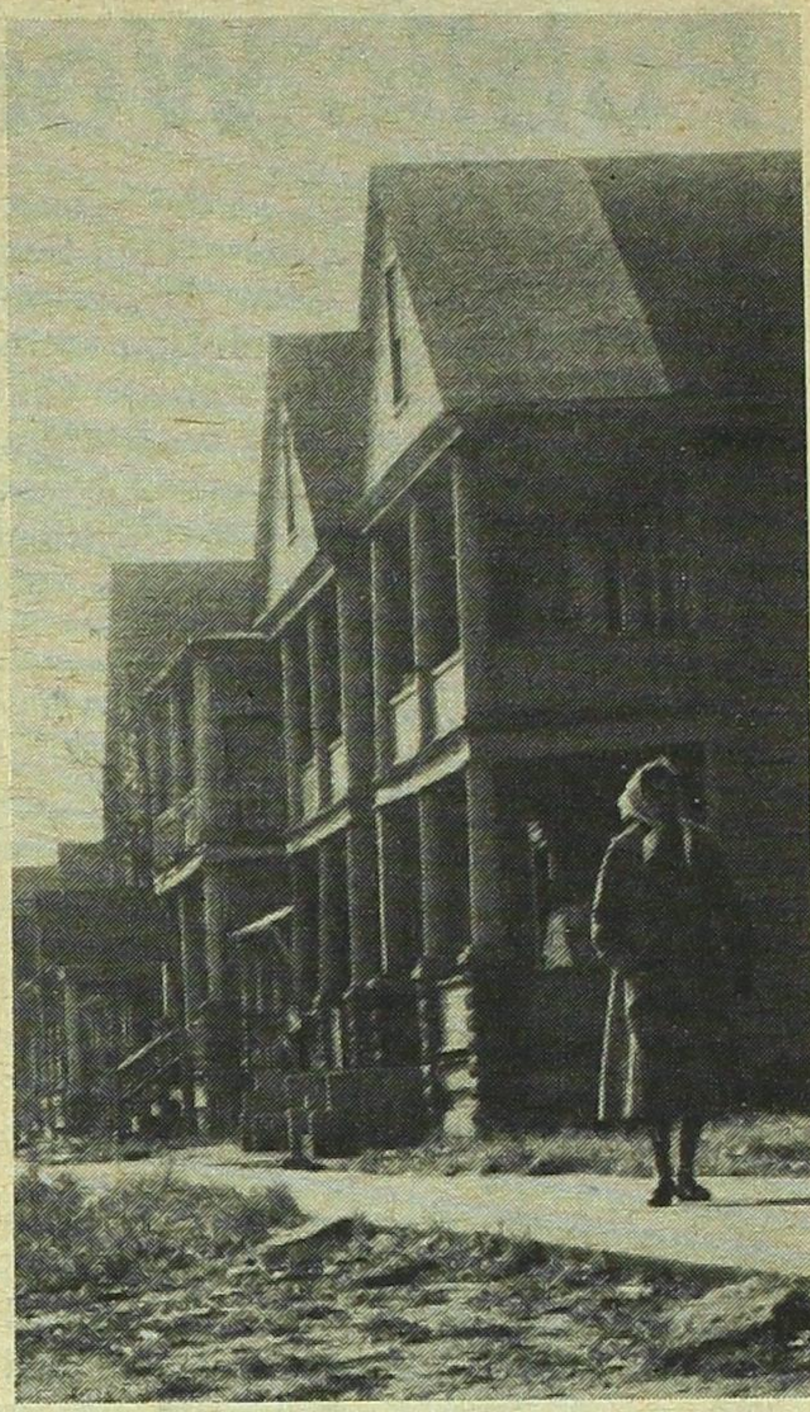
Many members of both Senate and House subcommittees are concerned about the implementation of such a program but do agree with the general concept of the measure.

Although the bill has been tabled by the Senate subcommittee for this year, county officials should check with their state community affairs department to see if a strategy plan is being developed. The bill grants funds on a competitive basis and the earlier a state develops its strategy plan and files it with the Department of Housing and Urban Development (HUD), the greater the chances of funding.

HUD, anticipating the possibility of no congressional action, has set up a similar program of "incentive funding" using 701 program funds. Grants of $100,000 to $250,000 are expected to be provided to the states. Counties should check with their state's 701 coordinating office to see if such funds are available.

Other possible HUD grants would be those of $100,000 to $250,000 to metropolitan areawide planning organizations (APO) and of $50,000 to $100,000 for non-metropolitan APOs. The maximum length of any grant is two years.

Sen. Edmund Muskie (D-Maine) introduced a proposal recently which would provide planning grants to states to assist them in developing their state strategy. The measure includes grants to help in implementing the strategies as well as funds to support a White House office to coordinate a state incentive program. This proposal has not been reported out of the subcommittee.



Labor-Management Relations

Interest Centered on County Financial Aspects

During the past year, NACo's lobbying efforts on labor-oriented issues have concentrated on fighting various proposed federal regulations which would adversely affect the operation of state and local government pension systems and working closely with the interagency staff that produced the Uniform Guidelines on Employee Selection Procedures to ensure the concerns of county governments were taken into consideration. Here's a close look at several important issues to counties that remain to be resolved in the final days of the 95th Congress.

Social Security Deposit Payments

NACo submitted comments earlier this year in opposition to proposed regulations issued by the Social Security Administration which would require state and local governments to make monthly, rather than quarterly, deposit payments, beginning in January 1980. Counties and other state and local governments stand to lose a substantial amount of interest on investments and will face a substantial increase in administrative costs under the proposed regulations.

Rep. Robert Roe (D-N.J.) has introduced H.R. 11976 which would retain the present quarterly deposits and reporting requirements for state and local governments. To date, no hearings have been scheduled on the bill which was referred to the House subcommittee on Social Security, chaired by Rep. James Burke (D-Mass.). Because the proposed regulations will not take effect until January 1980, it is doubtful that the subcommittee will take any action on the bill this year. NACo plans to make the Roe bill a major legislative priority in the next session.

Intergovernmental Personnel Act Appropriation (IPA)

The House passed a general appropriations measure which included $20 million for fiscal '79 for IPA programs operated by counties, cities and states. NACo originally supported a $30 million authorization.

The Senate adopted an amendment offered by Sen. William Roth (R-Del.) providing for a 2 percent across-the-board cut in general governmental appropriations, including a 2 percent cut in the IPA appropriation. NACo supports the House version of the general appropriations bill which provides for the entire $20 million for IPA programs.

Conferees will meet on H.R. 12930, the Treasury, Postal Service and General Appropriations bill this week. Counties should immediately contact the following members of the conference committee to urge support for the House version of the IPA appropriation: Sen. Lawton Chiles (D-Fla.), Dale Bumpers (D-Ark.), James Sasser (D-Tenn.), and Lowell Weicker (R-Conn.) and Reps. Tom Steed (D-Okla.), Joseph Addabbo (D-N.Y.), Clarence Miller (R-Ohio), and Robert McEwen (R-N.Y.).

Public Pension Issues

Deferred Compensation Programs. The House and Senate have acted swiftly to deflect a proposed Treasury Department regulation which would have the effect of eliminating employee deferred compensation plans. These plans have been adopted by 38 states and hundreds of other governmental units, including many counties. The proposed regulation would require state and local government employees to pay current income taxes on portions of salaries which are deferred under these plans. Under present arrangements, deferred payments are not taxed until the taxpayer actually receives the funds at retirement.

Tax legislation passed by the House contains certain provisions preserving public employee deferred compensation plans. This legislation essentially reiterates the continuing and consistent treatment of these plans by the Internal Revenue Service (IRS) prior to February 1978 and, in effect, overturns the proposed Treasury regulation. The Senate Finance Committee is currently considering the House-passed bill, and it is expected that it will report out legislation preserving these plans. Rep. Joe Waggonner Jr. (D-La.) and Sen. Mike Gravel (D-Alaska) particularly deserve credit for their efforts on behalf of this legislation.

Counties are urged to contact their senators to ask for support on the Senate floor for the deferred compensation provisions of the tax reform bill.

Reporting and Tax Liabilities for Public Pension Plans. NACo continues opposition to final Treasury regulations which require state and local government pension plans to file IRS Form 5500. The state of California recently filed suit against the regulation contesting the authority of the IRS to regulate state and local pension plans.

NACo strongly supports the revised bill, S. 1587, sponsored by Sen. Richard Stone (D-Fla.) and cosponsored by Sen. John Danforth (R-Mo.) which would, in effect, exempt state and local government pension systems from annual reporting and taxation requirements. The Senate subcommittee on private pension plans and employee fringe benefits, chaired by Sen. Lloyd Bentsen (D-Tex.), held hearings on the bill several months ago; however, the bill still languishes in the subcommittee. While congressional reaction to the bill has been largely favorable, prospects for its enactment in this session appear dim unless the bill is immediately reported out of the subcommittee.

Counties should contact Sen. Bentsen and other members of the Senate Finance Committee to urge their support of the revised Stone bill.

House Pension Task Force Study. The House Pension Task Force of the subcommittee on labor standards recently published a report on a study of more than 7,000 public pension plans. The study concludes that "the current regulatory framework applicable to public retirement systems does not adequately protect the vital national interests which are involved." It is expected to serve as the basis for comprehensive federal legislation which may be introduced before the end of the current session. Counties may obtain a copy of the report, entitled "Pension Task Force Report on Public Employee Retirement Systems," by requesting a copy from a member of their state's congressional delegation or from Rep. John H. Dent (D-Pa.), chairman of the task force.

NACo supports the position that no single federal solution will work for all of the pension plans administered by state and local governments.

Policy is decided by the Labor-Management Relations Steering Committee, chaired by John Franke, chairman of the board, Johnson County, Kan. Staff contact: Bruce Talley.

Community Development

Public Works—Prospects Rapidly Evaporate

BULLETIN—On Sept. 14 the Senate, by a vote of 63 to 21, instructed Senate conferees on the fiscal '79 Second Concurrent Budget Resolution to insist on the Senate provisions in that resolution which provide no funding for public works. The Senate's action may virtually preclude enactment of public works legislation during this session of Congress.

Public works legislation, which has been sitting on the congressional back burner since spring, has suddenly picked up momentum in the past few weeks. However, differing opinions by members of a House-Senate conference deciding federal spending amounts could permanently seal the fate of the public works program—without it's ever coming to a vote on either House floor.

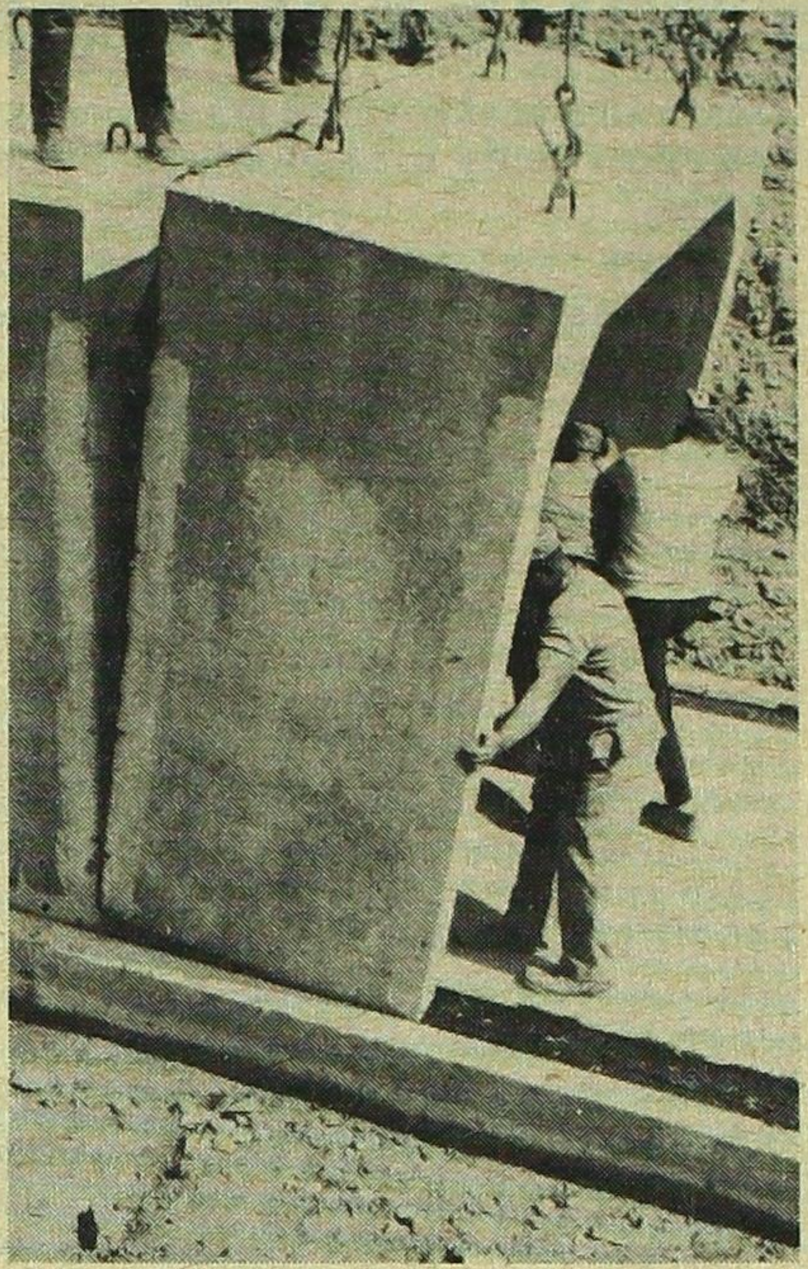
The House version of the Budget resolution would permit the authorization of $2 billion in fiscal '79 for public works grants to state and local governments with high unemployment. In contrast, the Senate version of the resolution contains no money for public works, principally because members of the Senate Budget Committee feel that additional public works funding would contribute to increased inflation.

House Budget Committee members point out, however, that, although nationally the unemployment picture has improved (to a level of 5.9 percent in August) many state and local governments still face exceptionally high levels of unemployment and precarious financial situations which mean delay in construction or reconstruction of public facilities. To date no compromise amount has been decided.

Only five months ago, local elected urban officials saw hope for their beleaguered citizens in the announcement of President Carter's National Urban Policy. Urban county officials, impressed with the possibilities of that policy, were concerned that "distressed urban counties" would not benefit along with "distressed cities" from the $8.3 billion package of "new initiatives" and from the proposed changes in 38 existing domestic programs. They made sure that the Administration understood that 60 percent of America's urban dwellers live outside central cities.

Two-Pronged Approach

In the past five months, however, local elected officials have seen the promised assistance dwindle until only a few major bills, including public works, remain before Congress. This three-year, $3 billion program of labor-intensive public works grants was offered as a means of combatting the problem of structural unemployment as well as providing funds for the rehabilitation of existing public facilities.



Proposed public works legislation offers relief from unemployment and a chance to improve county facilities.

As originally envisioned by the Administration, the program required that 25 percent of the jobs created in the first year be made available to the structurally unemployed (i.e., those out of work for 15 of the last 20 weeks) and that the ratio of labor costs to total project cost (labor-intensity) average 40 percent nationally. In years two and three, 50 percent of the jobs would be targeted to the long-term unemployed and the labor-intensity of projects funded would be between 50 and 80 percent.

Now time is running out for the enactment of any version of the proposal this year and action in both House and Senate is dependent on the outcome of the Budget Resolution Conference.

Allocation Formula

At the strong urging of NACo, the Administration has agreed to an allocation of funds which takes into account the fact that counties provide most services countywide. Originally the Administration proposed that county governments receive a portion of funds from the "balance of county area" (i.e., outside of cities of over 25,000 population). Under the new proposal funds would be allocated to a "county area" with county governments receiving a percentage of the allocation based on factors measuring county responsibilities—taxes collected by the county as compared to taxes collected by all local governments within the county, expenditures by the county as compared to expenditures by all local governments within the county.

These provisions are expected to be incorporated in the Senate version of the legislation if funding for public works is included in the budget resolution. The Senate bill, now in the subcommittee on community and regional development, authorizes a two-year $2 billion program.

On the House side, legislation is pending which would provide substantially more funding than is being considered in the Senate. Prior to the Labor Day congressional recess the House subcommittee on economic development approved a 2-year, $6 billion program of public works construction and rehabilitation grants. Included each year are $2 billion for Round Three of the Public Works construction grants first authorized in 1976, and $1 billion for the Administration's Labor Intensive Public Works proposal. That bill is now before the full House Public Works and Transportation Committee which is also waiting for the outcome of the Conference on the Budget resolution.

Policy is decided by the Community Development Steering Committee, chaired by James Scott, supervisor, Fairfax County, Va. Staff contact: John Murphy.

Many Counties Depend on Sugar

"The economic health of three-quarters of the communities in the County of Hawaii are dependent to a major degree upon the existence and viability of the local sugar industry. The 3,000 employees and over 450 independent farmers, plus the 6,000 other jobs that are dependent on the industry, make up about 30 percent of the county's employment." This testimony before the Senate subcommittee on tourism and sugar reflects the situation in some 23 states.

Legislation to implement the International Sugar Agreement—slightly different versions of H.R. 12486—has been reported out of both the House Ways and Means and Agriculture Committees. A third version is in the Senate Finance Committee, awaiting full House action.

NACo supports this legislation, so important to many of its member counties, which would, as the resolution adopted at the annual conference in Atlanta emphasizes, "establish a national sugar policy that will assure adequate sugar supplies for consumers, at fair and reasonable prices, for both consumers and domestic producers and maintain a viable domestic sugar cane and sugar beet industry."

Counties: Act Now as 95th Congress Draws to Close

Continued from page 1

from raising local taxes to meet matching mandated cuts of welfare programs.

There is a very real probability that significant portions of NACo's legislative priorities over the past two years will not be enacted, or will be passed in a crippled manner. Some of these efforts, for example those in welfare reform, transportation and social services, have absorbed the interest, energy and efforts of NACo and its members for as long as we have existed as an association.

What to do? Three things! First, tell your congressional delegation your county's story. Second, tell your congressional delegation your county's story in specifics that he or she can understand. And third, tell your county's story to your local citizens and your local press.

If your county has some of the nation's estimated 190,000 unsafe bridges, your media, your citizens, and your congressional delegation must know which bridges are unsafe, how unsafe, and what happens if Congress does not pass the bridge program.

Invite campaigning congressional candidates to your courthouse to see firsthand how the issues outlined in this special *County News* affect your county.

If the cap on federal social services funding means your county must close day care centers or turn away the mentally ill, tell the congressional candidates and the media just that! Engage the help of other community groups to document and support county issues.

We are now at the "nitty gritty" stage. It's not enough to say we want fiscal relief in welfare. The question now is how much is politically feasible and when!

"Nitty gritty" means action in conference committees; strategies for House and Senate floor action; lobbying committee staffs, administrative agencies and other interest groups.

We are at "give and take time." NACo is ready at the staff level and strongly backed policy-wise by our Executive Committee, the board, our steering committees, and our state associations.

But now it's vital to draw on you, our 38,000 members. You must call, write or visit your congressional representatives. You must take action in response to our telegrams, bulletins, mailgrams, and telephone calls.

It is now close to midnight and literally every hour counts. Virtually every county is facing an assault on our primary revenue source, the property tax. We must either have continued federally funded resources or a reduction of federal mandates.

So please—please study this *County News Extra* and then start telling your county story to your congressional delegation, your citizens, and the media.