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THE WHITE HOUSE
WASHINGTON

December 6, 1976

JMC

This is the agenda for the ACIR meetings Dec 16 and 17. Ray H. believes you should try to attend, at a minimum, the opening session Dec. 16 from 9:00 a.m. - noon.

Ray and Steve are drafting a memo to you on the items you should be aware of re: the meeting.

on schedule
A.





ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

AGENDA
FIFTY-NINTH MEETING
of the
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
DECEMBER 16 - 17, 1976

1. Remarks by the Chairman
2. Minutes of the Fifty-Eighth Meeting TAB A
3. Consideration of report on "Cigarette
Bootlegging: A State and Federal
Responsibility?" TAB B

A hearing on this report to which State officials, tobacco industry representatives, and other interested parties have been invited, is scheduled for 10:00 a.m. on Thursday, December 16. A list of persons invited is attached.

The full report identified above is a part of TAB B. Chapters 2 through 7 are being transmitted under separate cover.

4. Consideration of report on "The Impact of
Increased Insurance on Public Deposits" TAB C
5. Consideration of report on "Cash Management
by State and Local Governments" TAB D
6. Consideration of report on "The Comprehensive
Employment and Training Act: Early Readings
from a Hybrid Block Grant" TAB E

The full report identified above is a part of TAB E. Chapters 1 through 3 are being transmitted under separate cover.

7. Commission's further review of current major
intergovernmental problems for purposes
of selecting new research topics TAB F



8. Presentation by Nancy Hanks, Chairman,
National Endowment for the Arts, on
their program and challenge grant
proposal
9. Report on Implementation activities
10. Executive Director's Oral Report

TAB G

Meeting Place: New Executive Office Building, Room 2010
Washington, D. C.

Meeting Times: 9:30 a.m., Thursday, December 16, 1976
9:00 a.m., Friday, December 17, 1976



File ~~11/14~~ Dec 17

THE WHITE HOUSE
WASHINGTON

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December 13, 1976

MEMORANDUM FOR: JIM CANNON
FROM: STEVE McCONAHEY
SUBJECT: ACIR Meeting

SPM

Sum

Attached is the agenda for the ACIR meeting this Thursday and Friday, December 16-17.

You should make an appearance at the meeting on Friday morning, participating, if possible, in the discussion on the CETA program (Item 6) and new research topics (Item 7). Someone from my office -- either Ray Hanzlik or Jean Appleby -- will represent you at the meeting during your absence. I will be out of town on the 16th and 17th.

Most of the meeting on Thursday will be devoted to a hearing on "Cigarette bootlegging," that will involve testimony from twelve witnesses.

You will also be invited to a reception and dinner on Thursday evening honoring outgoing Commission members (of which you presumably are one). If possible, you should attend the reception. Ray will also be there.

I am attaching the material from the Docket book on the CETA agenda item. The first two pages accurately summarize the contents (Tab E). Also attached is a summary of possible future research projects (Tab F).

The meetings will be held in Room 2010 of the New EOB, beginning at 9:30 a.m. on Thursday, and 9:00 a.m. on Friday.

Attachment



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ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

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E



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

MEMORANDUM

TO: Members of the Advisory Commission on Intergovernmental Relations

FROM: Wayne F. Anderson, Executive Director *WFA*

SUBJECT: Findings and Recommendations from "The Comprehensive Employment and Training Act: Early Readings from a Hybrid Block Grant"

Attached are the summary findings and recommendations of the Commission's study of Title I of the Comprehensive Employment and Training Act (CETA). Chapters I, II, and III covering the legislative history, implementation, and major issues were mailed to you under separate cover. This report on CETA is the fourth and last in our probe of block grants and the ninth to be completed in our twelve volume series on "The Intergovernmental Grant System: An Assessment and Proposed Policies."

Enacted in 1974, the CETA block grant is, "along with community development," one of our two most recent block grants and resulted from the consolidation of 17 previously separate manpower categoricals. Unlike Partnership for Health and Safe Streets, CETA is chiefly a Federal-local undertaking. Yet in contrast to community development, there is more of a State role.

Chapter I of this report describes early Federal manpower initiatives, the heavy reliance on the categorical device, the struggle to achieve the block grant represented by Title I of the 1973 Act, as well as the Act itself.

Chapter II traces the implementation efforts to date. Major emphasis is placed on the initial transition period and the second full year of the program's operation. Time and manpower considerations forced us to rely heavily on the studies of others in this assessment of the workings of CETA.

Chapter III identifies the major issues to grow out of the legislative and implementation analyses. These are covered under five (by now familiar) headings: the functional breadth of the program, the extent of program discretion conferred on recipients, the degree to which Federal requirements border on being meddlesome and constraining, the allocational formula, and the eligibility question.

This analysis of issues as well as the findings that follow provide a basis for the five proposed recommendations:

(1) In the first proposed recommendation, CETA's relationship with other manpower programs is treated and two basic policy positions are advanced: the first proposes a "preferred mechanism" status for CETA and the second addresses the companion problem of the ways and means of achieving better coordination management among the Federal government's more than half a hundred manpower programs.

(2) The second proposed recommendation deals with the question of CETA's scope and basic purpose; a pair of alternatives are presented: one calling for a broader block grant and the second, for a clarifying of its basic purpose, assuming no expansion in its present scope.

(3) The third recommendation grapples with the allocational formula question; it proposes two distributional factors only: unemployment and the proportion of low-income population; alternatives are presented as to their weighting, with unemployment standing as a proxy for cyclical difficulties and percentage of low income serving as a proxy for chronic structural economic problems.

(4) The fourth deals with the State role; the first alternative constitutes a modest strengthening, while the second proposes a major overhaul, in light of the States' prime role in the overall manpower program area.

(5) The last recommendation confronts the substate regional-labor market quandary that the existing program has generated; three alternative positions are advanced: (a) a fiscal incentive approach to getting consortia into alignment geographically with the labor market in which it operates and administratively in tandem with its substate A-95 agency; (b) a mandated approach to achieving the above goals; and (c) a strengthening of the regional A-95 body's role vis-a-vis local prime sponsors by conferring a review and comment power and by authorizing funds for comprehensive regional manpower planning.

Chapter IV

RECOMMENDATIONS

The Comprehensive Employment and Training Act is now three years old. During the transition from a categorical to a block grant mode of decision-making, a number of changes were made in the delivery of manpower services. At the same time, some of the shifts anticipated by the framers of Title I did not take place, or have become apparent only recently.

The previous chapters of this report have described and analyzed the early CETA implementation record. While the time period covered precludes an assessment of the long-term impact of the act on unemployment rates and the national economy, sufficient evidence is available to arrive at judgments on how well the block grant has worked in light of the intent of the act and what changes are necessary to improve its intergovernmental administration. Following are the major findings and conclusions that emerge from the Commission's probing of experience under CETA.

Major Findings and Conclusions

--Although 17 categorical grants were folded into Title I, the CETA block grant did little to curb the historic fragmentation of Federal manpower programs. Fifty-one separate authorizations for this purpose still exist, and these are administered by 10 Federal departments or agencies.

--Title I formula appropriations account for less than one-fourth of Federal manpower outlays and slightly over two-fifths of the total CETA appropriation. In other words, categorical programs dominate both CETA and the overall Federal manpower program structure.

--Title I of CETA has been used largely for meeting cyclical rather than structural unemployment needs. The economic recession and spiraling unemployment rates diverted attention away from the statutory goal of placing individuals in unsubsidized jobs and led to nearly half of the block grant funds being used for public service employment or equivalent programs such as work experience. In addition, there have been marked decreases in the funding of activities geared to skills

needed by the private sector, like on-the-job training and classroom training.

--In contrast with categorical programs, local elected officials have played a major role in CETA decision-making. However, their lack of previous experience has led them to move cautiously and to rely on existing programs and service deliverers.

--CETA has created new intergovernmental planning, program development, and coordination machinery. Four new layers have been imposed between the Employment and Training Administration's central office and program participants--the Federal regional office, the State Manpower Services Council, the sponsor Planning Council, and the prime sponsor. This has produced some delays in decision-making and contributed to coordination difficulties.

--Consortia arrangements have been a popular approach to manpower service delivery, but because of administrative efficiency considerations rather than the availability of incentive funds. There is some coincidence between the boundaries of consortia and those of labor market areas, but there is little evidence of participation by councils of governments or regional planning commissions in the formation of these bodies. The A-95 review and comment process has had practically no impact upon prime sponsor decisions due to an absence of adequate areawide manpower plans and to time pressures on implementation of the act.

--Both sponsor planning councils and State Manpower Services Councils have had only limited impact on prime sponsor decision-making, largely as a result of the influence of the chief elected official and CETA administrators. The substantial number of representatives on these bodies who are service deliverers, political leaders, or public employees has raised conflict-of-interest concerns.

--Although during the first year of CETA operations most prime sponsors decided to continue to use existing program operators, as their familiarity with the manpower field grew, there was an increased tendency to make changes, especially to reduce the involvement of State Employment Security Agencies and to directly assume service delivery responsibilities.

--Contrary to expectations, community-based organizations such as the Urban League, Opportunities Industrialization Centers, and Jobs for Progress have experienced increases in the numbers of contracts and amounts of funds awarded under the block grant compared with pre-CETA levels.

--Largely because unemployment is weighted three times more than low-income, the CETA distribution formula has tended to shift block grant dollars from central cities to counties and from structural to cyclical unemployment needs.

--A comparison of the unemployed population served by categorical programs and Title I of CETA reveals few significant differences. Generally, CETA participants are young, economically disadvantaged individuals having less than 12 years of formal education.

--Title I of CETA has a high rate of "positive" placements, with slightly under three-tenths of the enrollees being placed in unsubsidized employment and over one-third entering school, joining the armed forces, or taking other steps to improve their employability.

--ETA has not generally interfered in sponsor decision-making, to the extent of being criticized for its "silent partner" position in the program. Sponsors and DOL regional office personnel desire more information and technical assistance on CETA matters. There appears to be a growing tendency on the part of ETA to increase reporting and other paperwork requirements. Yet, to date no sponsor plan has been disapproved on account of substantive deficiencies.

Recommendations

Recommendation 1: CETA and National Manpower Policy

The Commission finds that manpower programs offer the potential for better utilizing the Nation's human resources, for raising the quality and quantity of jobs, for equalizing employment opportunities, and for achieving lower unemployment rates. Yet, despite the consolidation of 17 programs under Title I of the Comprehensive Employment and Training Act (CETA), the Commission finds that Federal manpower programs continue to be inordinately fragmented and that neither the planning nor the delivery of services aided by these programs have been effectively coordinated within national, state, and substate labor markets, or by

local governments. The prime reasons for this, the Commission finds, include differing program goals, constituencies and target groups, administering departments and agencies, delivery channels, and authorizing Committees of the Congress. The Commission finds, further, that Title I of CETA is the only recent effort to counteract this pattern of program fragmentation in the manpower field.

1. Hence, the Commission recommends that Title I of CETA be retained,
2. improved, and utilized more fully as the preferred mechanism for providing
3. and/or coordinating all federally aided manpower services chiefly designed
4. to respond to the needs of State and substate labor markets. The devices
5. which should be considered for achieving fuller program coordination include
6. grant consolidation, Federal government reorganization, joint funding,
7. interagency agreements, more meaningful comprehensive manpower planning and
8. review processes, and stronger interagency coordination at the Federal
9. level through the Executive Office of the President and the Federal Regional
10. Councils.

The current range of Federal manpower programs is very broad indeed. Collectively, these programs provide means to meet the needs of (1) job creation and job placement in both the private and public sectors of the economy, (2) general education for employability, (3) specific skills training, (4) overcoming long-term structural mismatches between the supply and demand for labor in various sectors of the economy, (5) ameliorating short-term unemployment caused by cyclical downturns in the economy, (6) employing the disadvantaged youth, older Americans, Indians, migrant workers, and those "most in need," and (7) transforming welfare recipients into productive workers.

Yet, almost every one of these needs is met by a different program. Some of these programs are administered nationally, while others are administered by the States, and still others are the responsibility of local governments. Some of the programs are primarily educational, while others have more of a social services orientation or direct economic focus. Hence, they are administered by different departments and agencies even within a single level of government.

The rigid lines now drawn between multiple Federal manpower goals, service delivery programs, sources of funding, responsible administering agencies, and jurisdictions of the cognizant Congressional committees hinder the efficient, equitable and coordinated provision of actual services to the public. The National Commission for Manpower Policy reported in 1975 that there were 26 different major categories of manpower programs. Our own, more detailed, count puts the number at 32 project grants and 21 formula-based programs. These were estimated to cost more than \$6 billion in FY 1976 and are administered by at least ten departments and agencies. Although 90 percent of the funds were for programs within two departments--Labor (DOL) and Health, Education, and Welfare (HEW)--the manpower programs within these departments very largely operate separate from each other.

While Title I of CETA did consolidate some seventeen programs, it did little to eliminate either the historical overlaps among the vast array of remaining programs or the separateness which characterizes their administration. In fact, these problems are evident even among the relatively similar Title I, II (public service) and VI (counter-cyclical) programs of CETA itself, right within the Department of Labor.

Nevertheless, CETA's Title I program has demonstrated the feasibility and benefits of grant consolidation in the manpower field, including (1) decentralization of planning, project funding, and administration, (2) program flexibility to meet both long-term and short-term local labor market needs, and (3) relative administrative simplification. In view of the small proportion of the Federal manpower effort represented by the Title I program, further consolidations certainly should be considered. The type of manpower planning required under the Title I program is comprehensive indeed, but its share of program implementation funds is far from matching the scope of the planning.

Regardless of what may become of proposals for further consolidation, however, there will remain, inevitably, a substantial share of manpower funds outside of CETA, or any other programs that might be consolidated. Therefore, now and in the future, steps should be taken to coordinate the separate Federal manpower programs more fully. ACIR's own research confirms the needs found for such coordination by the National Commission for Manpower Policy (NCMP). After examining the obstacles to this coordination and opportunities for it, NCMP called for stronger coordination requirements in all the DOL and HEW manpower programs, concurrent manpower planning cycles, better labor market information, standard program terminology, strengthening of CETA planning processes and making better use of them, fuller and more effective exchange of operating experiences among Federal, state and local manpower agencies, and a variety of other specific improvements in individual program areas. The ACIR concurs in the need for such improvements, and notes further that opportunities should not be overlooked for enhancing manpower programs through joint funding, additional interagency agreements, Federal executive branch and Congressional committee reorganizations, and coordinative management by the Executive Office of the President and the Federal Regional Councils.

At present, the heaviest responsibilities for the coordination of Federal manpower programs are placed on the State and local governments. While the rationale for this rests largely and understandably upon the need to decentralize decision-making to levels where actual problems and needs can be perceived more precisely, the current structure of the Federal aid programs in this field tend to delegate this coordinative responsibility without a commensurate amount of authority. The Federal government cannot expect this arrangement to work satisfactorily. Hence, it must assume a full partnership role and accept its share of the coordinative responsibility, to the extent that it has not been devolved to lower levels of government.

Recommendation 2: Scope of the Block Grant

Alternative A: An Expanded Block Grant

- The Commission concludes that the authorization of separate programs for comprehensive manpower services and public service employment in CETA has restricted prime sponsor flexibility, created reporting and paperwork burdens, and raised administrative costs. Hence, the Commission recommends that the Act be amended to consolidate Titles II and VI with Title I.

Alternative B: A More Focused Block Grant

- The Commission concludes that other Federal grant programs are geared to meeting public sector cyclical needs, and that prime sponsors under Title I of CETA should give greater attention to the long-term goal of placing individuals in unsubsidized private sector jobs. Hence, the Commission recommends that Title I of CETA be amended to prohibit the use of block grant funds for public service employment or for equivalent programs [except where prime sponsors certify that relevant and current private sector employment needs have been met in their respective labor market areas].

One of the major compromises made during the Congress' consideration of proposed manpower reform legislation in the early 1970's was the establishment of a program to provide transitional public service jobs in areas having substantial unemployment. This program became Title II of CETA. As a result of steadily worsening economic conditions and spiraling unemployment rates, one year after approval of the act Congress enacted an emergency public service employment program that was not confined to areas with high rates of unemployment. This program became Title VI of CETA. In terms of their fiscal magnitude, Titles II and VI accounted for 34 percent

of total CETA appropriation in FY 1975, compared with 42 percent for Title I.

The block grant portion of CETA focuses on the training and placement of those "most in need" in unsubsidized jobs, largely in the private sector. Titles II and VI focus on placing individuals in transitional public sector positions. These differing purposes are reflected in the enrollees in programs funded by each title: more block grant participants tend to be more economically disadvantaged, younger, and less educated than categorical participants, who tend to be "job-ready."

During the first two years of CETA operations, the purposes of these programs were altered by economic events. Title I authorized the use of block grants for programs supported by categorical grants under the act, including various target groups identified as "special Federal responsibilities" and the Job Corps, as well as public service jobs. Nearly half of the Title I formula appropriations were allocated to public service employment or work experience. Although the positions supported by Titles II and VI were supposed to be transitional, in the sense of eventually leading to unsubsidized employment, there is evidence indicating that these funds have had only a substitutive effect. In other words, Federal dollars have been used to employ persons who normally would have been paid with local dollars. Hence, the long-term strategy of training individuals who were structurally unemployed and placing them in unsubsidized positions has been subsumed by the short-term pressures of cyclical unemployment.

(Note: The following language applies to Alternative A)

These factors indicate that a major restructuring of CETA is in order to better align the purposes of the act with the realities of local labor markets. In view of the substantial mixing of Title I, II, and VI supported

activities, the Commission believes that a consolidation of these titles would be appropriate. This merger would be administratively desirable, in that prime sponsors would not have to "cross-walk" participants and funds from one category to another. The time and costs associated with data collection, reporting, and coordination could be significantly reduced. Moreover, prime sponsors would have greater flexibility in developing balanced programs to deal with both structural and cyclical unemployment problems. A broadening of the block grant also could help develop closer linkages between CETA and the other Federally funded manpower programs, as well as with similar state financed and administered efforts.

(Note: The following language applies to Alternative B)

These factors indicate that a sorting out of the purposes of the various titles of CETA is in order to ensure the most effective use of limited Federal resources. The Commission believes that in view of the substantial amounts of funds provided under Titles II and VI for public service employment, this area should be excluded from the comprehensive manpower services authorized by Title I. Restricting the scope of block grants to the problems associated with structural unemployment does not unduly curb prime sponsor discretion, since other Federal programs are available to meet the needs of particular target groups or to place individuals in public sector jobs. This approach does provide the resources and the opportunity to sponsors to begin tackling the root problems of unemployment, especially the needs for greater job creation efforts and training to fill skill-shortage positions in private enterprise. Only after these needs have been met could prime sponsors use block grants for public sector employment. It is the Commission's view that the availability of substantial block grant resources for these purposes also will give business and labor a greater incentive to work closely with prime sponsors in designing manpower programs that will be responsive to both current and future needs of labor market areas.

Recommendation 3: A More Equitable Distribution Formula

The Commission concludes that the Title I distribution formula has diverted funds from areas which have the most pressing employment and training needs. Hence, the Commission recommends that the Act be amended to provide that [half] [two-thirds] of the Title I formula allocations be distributed on the basis of the average rate of unemployment during the preceding [three] year[s] and the remainder on the basis of the relative number of adults in families with an annual income below the low-income levels of the state, adjusted for regional variations in the cost of living. The Commission further recommends that the existing prior year allocation factor and the "hold harmless" provision of the Act be deleted.

Although prime sponsors may use Title I funds for services to the economically disadvantaged, the unemployed, and the underemployed, the focal point is upon those who are "most in need." National statistics show that unemployment is most severe among the disadvantaged, those under 22 years of age, those who lack a high school education, and racial minorities. These same figures indicate that the bulk of the individuals having these characteristics are found in the central cities of the nation. Moreover, these jurisdictions also have been hard hit by cyclical unemployment.

The statutory formula for allocating block grants is a product of Congressional compromise. In determining allocations to prime sponsors, unemployment is weighted three times more than low-income, and the total of both factors is equal to that accorded to previous year funding levels. While the second and third factors have tended to benefit cities, the first has largely benefitted counties. This hold true for both individual and consortia sponsors. As a result, during the first year of CETA, many

cities had to cut back on their Federally supported employment and training programs. Fourteen of the 15 largest cities in the country, for example, experienced significant reductions in their pre-CETA funding levels. Counties, on the other hand, received substantial amounts of new funding. Many of these jurisdictions had never been allotted Federal manpower funds before.

The case for a more equitable distribution formula does not rest on whether cities or counties are more deserving in light of their needs and resources. Certainly suburban and rural counties suffer from both structural and cyclical unemployment. Nor does the fact that they generally lacked prior experience in the manpower field have a significant bearing on the issue. Instead, the allocation formula must be considered in terms of the Act's provisions emphasizing those "most in need," but reinterpreted to focus on the jurisdictional as well as the individual dimension of the problem.

In the Commission's judgment, the allocation formula should reinforce rather than blur the spirit and intent of the Act. To achieve this objective, the statutory formula should be revised to provide for block grants to be distributed on the basis of unemployment and low-income. The relative weighting of each factor depends on how closely the distribution should reflect the jurisdictional and programmatic considerations relating to those "most in need." Giving more weight to low-income would tend to target more funds on central cities and into long-term responses to structural unemployment. Giving more weight to unemployment would target somewhat fewer funds on central cities and more into short-term responses to cyclical unemployment. In either case, however, adjusting allocations for regional variations in the cost-of-living would more realistically take into account

the differing costs of providing the same services in varying parts of the country and differing types of locality, and this factor also should benefit the most hard pressed central cities.

The Commission realizes that the "hold harmless" provision of the Act has helped avoid even more substantial cutbacks in city manpower services. However, over the years the impact of this provision has gradually diminished. Instead of this somewhat artificial approach, the Commission favors the use of a formula which more accurately determines need. Moreover, elimination of "hold harmless" would release discretionary funds which could be used by the Secretary of Labor to initiate programs at the state and local levels designed to test the feasibility of new approaches to dealing with the problems of structural unemployment, to provide additional financial support to jurisdictions having severe unemployment problems, or to provide financial incentives for greater private sector involvement in the design of local job creation, skill-training, and other employment efforts.

Recommendation 4: The State Role

Alternative A

The Commission concludes that there is a need to clarify the ambiguity surrounding the role of the states vis-a-vis local prime sponsors in CETA block grants. The Commission recommends that the Employment and Training Administration (ETA) provide increased technical assistance and such other advice and support as may be necessary to bolster the role of State Manpower Services Councils in reviewing prime sponsor plans, coordinating state and local manpower activities and evaluating performance. The Commission further recommends that the ETA continue its efforts to encourage prime sponsors to make greater use of the Employment Service in the provision of manpower programs and, during the plan review process, ensure that the undertaking of duplicative services by the ES and CETA prime sponsors in the same labor market areas will be avoided.

Alternative B

The Commission concludes that there is a need to strengthen the role of the states in providing state-level manpower and related services by state and local prime sponsors. The Commission recommends that Title I of the Comprehensive Employment and Training Act be amended to require, in any state designated as a prime sponsor, that the governor designate a staff agency with authority to (1) prepare the state comprehensive manpower plan, (2) coordinate the provision of manpower and related services (including those provided under other Federal programs) by state agencies, and (3) monitor the operations of programs conducted by each prime sponsor and the availability, responsiveness and adequacy of state services. The Commission further recommends that the Act be amended to require that the recommendations of the State Manpower Services Council regarding plans and operations of prime sponsors and state agencies providing manpower and related services be submitted to the staff so designated for its concurrence or nonconcurrence and transmittal to the state A-95 agency.

(Note: The following language applies to Alternative A)

Unlike the traditional Federal manpower programs, CETA is primarily a Federal-local program. Local units of general government have first choice of acting as prime sponsors within their jurisdictions. Only after a local unit has opted not to act as a prime sponsor within its jurisdiction may a state be so designated for that area. In addition to this residual role as a prime sponsor under CETA, the state has a variety of other roles with respect to the local prime sponsors. Its comprehensive manpower plan is to provide that all state agencies offering manpower and manpower-related services cooperate and participate in local prime sponsors' activities, and it must provide for coordination of those state services. Also, the State Manpower Services Council (SMSC) appointed by the governor is required to review and evaluate the manpower plans and operations of local prime sponsors, and make recommendations to them, the governor, and the public on ways to improve their performance. Finally, under the provisions of OMB Circular A-95, local prime sponsors' fund applications must be reviewed and commented on by the state's A-95 agency as to their consistency with the state overall plan.

Thus, the states have a many-sided relationship with local prime sponsors. They are expected to be operators, planners, reviewers, coordinators, and evaluators. In these circumstances, it is not surprising that some states are unsure of how to go about maximizing their effectiveness vis-a-vis local sponsors. Their hesitation is due to this diversity in roles and it is reinforced by the recognition that local governments long have been sensitive to any unwarranted state intrusion between local units and the Federal government.

The state's variegated role is, therefore, not an easy one to play. Yet, if played properly it is one that can contribute substantially to the effectiveness of local prime sponsors' planning and operations. Playing that role properly depends to a critical degree on the effectiveness of the SMSC.

Since one-third of its membership comes from local units of general government, the SMSC is equipped to perform its functions affecting local prime sponsors in a way designed to minimize the possible apprehensions of the local prime sponsors. Early experience under the program indicates, however, that SMSCs have been hesitant to act positively in their review and coordination roles, reflecting primarily the newness of the councils and the general program emphasis on getting things launched and avoiding procedural delays. At this point, however, it is time that the SMSCs perform their duties more positively. To help them do that, however, the Federal Employment and Training Administration (ETA) needs to concentrate its state efforts on providing technical assistance and other support to the councils, based on its long experience with predecessor manpower programs and its accumulated knowledge of what works and does not work throughout the 50 states. ETA technical assistance and advice will be given greater weight if it can hold out hope to the SMSCs that their recommendations will be considered by their Secretary when he conducts his own review of the local prime sponsors' plans.

The services of the State Employment Security Agencies (SESAs) are a major manpower service provided by state agencies, and hence one of the main services which the SMSCs need to help coordinate with local prime sponsors. Under CETA, however, the SESAs have suffered a diminution of operations compared to the predecessor categorical manpower programs. This stems from a number of factors, including local sponsors' dissatisfaction with the performance of SESAs under the earlier programs and state constraints on the flexibility of local employment service offices. The result is that this valuable resource has not been adequately exploited and local prime sponsors'

reliance on other service providers has produced a duplication of services. ETA has undertaken to remedy this situation by encouraging prime sponsors to make more use of ESEAs and identifying possible duplication of services when reviewing local prime sponsors' manpower plans and operations. ETA needs to continue this emphasis in working directly with local prime sponsors. Also, in assisting the SMSCs, it should encourage them to see that local prime sponsors make maximum use of the ESEAs.

(Note: The following language applies to Alternative B)

In a program where the principal grantor-grantee relationship is a direct one between the Federal government and local units of general government as prime sponsors, the role of the states under CETA is ambiguous. The state is a prime sponsor only where local governments have not chosen to be prime sponsors. While it has traditionally been the principal provider of manpower services, that role has been eroded in the face of the option given local prime sponsors to obtain services at their discretion, which in many cases has meant choosing providers other than state agencies, such as local nonprofit groups. The state as prime sponsor is required to prepare a comprehensive manpower plan but responsibility for its preparation is left unspecified in the law and in practice states have varied widely in assigning the responsibility. Finally, the State Manpower Services Council has advisory duties with respect to reviewing, monitoring, and evaluating the plans and operations of prime sponsors and state manpower service agencies.

Thus, the state role under CETA is a variegated one: provider of services, reviewer, planner, coordinator, evaluator. This has tended to diffuse state effort in the program. To some extent this has been welcome by local prime sponsors, who traditionally have resented state involvement in direct Federal-local programs. At the same time, however, it has tended to diminish the potential contribution that the state could make to the provision

of manpower services in a coordinated way within its boundaries, even under a primarily Federal-local program.

Moreover, the problem of diffusion is further aggravated by the state's differing and important roles in other manpower programs which have varying degrees of Federal involvement. For instance, it is heavily engaged in education, including vocational education, in vocational rehabilitation, and in social services.

The Commission believes that the state's potential for melding all these manpower programs--CETA and non-CETA--is more likely to be realized if the governor is given a clearer responsibility for managing the state role in the CETA program, however multi-faceted it is. This can be accomplished by centering overall responsibility in a staff agency directly responsible to the governor.

Such an agency should be given responsibility to prepare the state's comprehensive manpower plan. In contrast to the current practice in many states where the plan is prepared by one of the manpower services agencies, this would more clearly put the stamp of the chief executive on this instrument. In addition to the planning role, this agency should also be charged with overseeing the various state agencies that provide manpower and related services, such as the employment security agency, the vocational education agency, and the vocational rehabilitation agency. Again, vesting this responsibility in such an office with ready access to the governor is more likely to produce coordination than if the task were given to one of the line agency service providers, as is the case in some states. The state line agencies are not as likely to have functional relationships with all Federal manpower agencies, CETA and non-CETA, and thus would not bring the same degree of objectivity to coordination as a central staff agency would.

The governor should also look to the central staff agency for monitoring the operations of programs conducted throughout the state by prime sponsors at the local level in order to see that, pursuant to the law, state manpower services are being effectively used and coordinated throughout the state. Finally, this office should serve to channel the advice and recommendations of the SMSC and help assure that they receive due consideration by their governor. Requiring that the agency then transmit the Council's reviews and recommendations to the state A-95 agency will mean that this important coordinative procedure is not short-circuited, to the benefit of the entire state planning and policy-making process.

Recommendation 5: Labor Market Area Coordination

Alternative A: Incentives for Consortia Realignment

The Commission concludes that the failure to delineate the geographic scope of consortia under CETA has led to excessive fragmentation of labor market areas. To achieve better integration of the planning and operation of employment and training programs with the labor market area and to facilitate coordination with other Federal and state-sponsored manpower activities, the Commission recommends that Title I of the Comprehensive Employment and Training Act be amended to provide that: (1) to the maximum extent practicable, the boundaries and organization of existing general purpose regional instrumentalities be used when establishing consortia; (2) that incentive funds authorized by the Act be made available only to those consortia which include all eligible local prime sponsors and are integrated with such existing general purpose regional bodies; and (3) that each consortium be required to annually prepare and submit to the Governor and the Secretary of Labor, for review and concurrence, a comprehensive employment and training plan covering all Federal, state, and local programs having a direct or indirect bearing on the needs of the labor market area served by the consortium.

Alternative B: Mandated Consortia Realignment

The Commission concludes that the failure to delineate the geographic scope of consortia has led to excessive fragmentation of labor market areas. To achieve an integration of the planning and operation of employment and training programs with the labor market area and to facilitate coordination with other Federal and state sponsored manpower activities, the Commission recommends that Title I of the Comprehensive Employment and Training Act be amended to

1. provide that: (1) a consortium be established in each labor market area
2. containing local prime sponsors, using the boundaries and organization of
3. the appropriate A-95 clearinghouse or a general purpose regional instrumentality
4. which such exists; (2) that the provision of the Act authorizing the
5. Secretary of Labor to make available incentive funds for consortia formation
6. be deleted, and that these discretionary funds be distributed among the eligible
7. consortia each year on the basis of their relative proportion of Title I formula
8. allocations to be used for planning purposes; and (3) that as consortium be
9. required to annually prepare and submit to the Governor and the Secretary of
10. Labor, for review and concurrence, a comprehensive employment and training
11. plan covering all Federal, state, and local programs having a direct or
12. indirect bearing on the needs of the labor market area served by the
13. consortium.

Alternative C: Bolstering A-95 Clearinghouse Manpower Planning and Review
Capacity

The Commission concludes that the absence of regional manpower plans and limitations on the authority of A-95 clearinghouses have contributed to fragmentation of labor market areas. To achieve a better integration of the
14. planning and operation of employment and training programs with the labor
15. market area and to facilitate coordination with other Federal and state sponsored
16. manpower activities, the Commission recommends that: (1) the provision of the
17. Act authorizing the Secretary of Labor to make avialable incentive funds for
18. consortia formation be deleted and that these discretionary funds be distributed
19. among A-95 clearinghouses in labor market areas containing local prime sponsors
20. on the basis of their area's relative population and unemployment rates, for use
21. in the preparation of regional comprehensive employment and training plans,
22.

1. and (2) that each prime sponsor be required to submit its plans and
2. applications for all Federally funded manpower activities to the appropriate
3. A-95 clearinghouse for its review and concurrence.

Consortia arrangements have proven to be quite popular in the CETA program. One-third of the prime sponsors in FY 1975 were local, statewide, or balance-of-state consortia. The statutory provisions authorizing an additional 10 percent of the Title I allocation to sponsors joining a consortium covering at least three-fourths of a labor market area clearly have been influential. Yet, the available evidence points to administrative efficiency as the major reason for consortium formation.

Despite these efforts, considerable ambiguity surrounds the consortia concept. The term covers a variety of interlocal relationships--including city-city, city-county, and county-county. The boundaries of a consortium may or may not encompass those of the labor market area. Moreover, its boundaries and organization may or may not have any relationship to those of other regional bodies established for planning and coordinative purposes pursuant to Federal legislation or state executive order or statute. In addition, not all of the local jurisdictions or prime sponsors in a consortium necessarily belong to this body.

(Note: The following language applies to Alternative A)

In light of these problems, the Commission supports a redefinition and redirection of the consortium concept. This can be best achieved through the provision of financial incentives for closer geographic alignment with existing multi-purpose regional organizations and their labor market area and for closer administrative alignment with their A-95 clearinghouse.

In designating a consortium sponsor, ETA should give particular attention to the relationship between its boundaries and those of existing general purpose regional organizations such as councils of governments and A-95 clearinghouses. Where such bodies are in existence, they should be used for manpower purposes. This "piggybacking" would help avoid fragmentation and confusion at the substate regional level, facilitate interprogram coordination, make most effective use of available staff resources, and reduce time demands on local elected officials who serve on planning councils and other regional advisory and policy bodies. Where such organizations do not exist, or where their previous activities, staffing level, or other factors make them inappropriate as prime sponsors, then an encompassing of the boundaries of the labor market area should at least be sought in consortium formation.

Although local government participation in a consortium would remain voluntary, financial incentives would be provided to help encourage all prime sponsors in the area served by these bodies to join. Nevertheless, if there were substantial differences between a local prime sponsor and others who belonged to a consortium, both could still receive funding.

The absence of effective regional manpower planning has inhibited the A-95 review process, since there often is no plan against which to compare prime sponsor plans and applications. To rectify this situation and to provide a basis for more effective clearinghouse efforts, the Commission favors a requirement that each consortium prepare annually a comprehensive plan covering virtually all publicly supported employment and training programs in its labor market area, substate district, or region. A review and concurrence role on the part of the Governor and Secretary of Labor is essential to coordinating manpower programs at the state and national levels.

(Note: The following language applies to Alternative B)

In light of these problems and earlier positions adopted in its studies on substate regionalism, the Commission supports a redefinition and redirection of the consortium concept. This can be best achieved through a mandatory realignment of these bodies and a regional rather than local approach to prime sponsorship.

In each labor market a consortium would be designated by the ETA to serve as the prime recipient of CETA funds. The boundaries and organizational structure of an existing general purpose regional body such as a council of governments or A-95 clearinghouse would be used to facilitate coordinated management, integrated planning, and effective utilization of staff and elected official time and talent. Although the consortium would receive all Federal funds, it could and probably would subcontract with constituent local governments or non-profit and community-based organizations for the delivery of employment and training services.

Authoritative regional planning would be a major new role for consortia. Financial support for this purpose would be provided from funds previously earmarked for consortia formation incentives. The scope of the comprehensive plan would include virtually all publicly supported employment and training programs in a labor market area, substate district, or region. A review and concurrence role on the part of the Governor and the Secretary of Labor would be vital help in coordinating manpower programs at the state and national levels.

(Note: The following language applies to Alternative C)

In light of these problems, and earlier positions adopted in its studies on substate regionalism, the Commission supports a redefinition and redirection of the consortium concept. This can be accomplished largely through the

provision of incentive funds to achieve better coordination between prime sponsor planning and program development and the overall manpower needs of the regional labor market, through A-95 clearinghouse units. The latter would be allocated discretionary funds by the Secretary of Labor, from the former consortia incentive fund, in accordance with the population and unemployment rates of the area encompassed by their boundaries. These monies would be used to facilitate the preparation of a regional comprehensive manpower plan, which would serve as the basis for the A-95 review of local prime sponsor plans and applications. In addition to this planning and review role, however, the Commission favors giving the areawide clearinghouse more authority in dealing with conflicts between local and regional manpower plans. Hence, A-95 clearinghouse concurrence should be required before a local prime sponsor's plan or application could be considered by the State and by the regional office of DOL. This approach would not deprive local governments of a voice in regional decision-making. After all, they are represented on the clearinghouse and play a major role in the review process. But, it would provide the wherewithall for some authoritative decision-making at the regional level regarding manpower undertakings that affect a substantial portion of the Nation's labor markets.



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS

WASHINGTON, D.C. 20575

November 30, 1976

MEMORANDUM

TO: ALL COMMISSION MEMBERS

FROM: Wayne F. Anderson
Executive Director

WFA

SUBJECT: Commission Selection of New Research Projects

At the August 30 - 31 Commission meeting, you took certain steps to review ACIR's research program preparatory to selection of new projects. From a complete inventory of major intergovernmental problems prepared by the staff (Attachment A), the Commission preliminarily identified 11 subjects as high priority and deserving of in-depth evaluation. You linked four of the subjects that relate to competition among States and regions under one heading, so the list of these high priority subjects now includes the following:

1. Competition among States and Regions
 - a. Tax competition
 - b. Distribution of Federal aid, installations, payroll, other outlays, and tax expenditures
 - c. Energy
 - d. Growth and environment
2. Intergovernmental economic stabilization policy and countercyclical aid
3. Central cities
4. Public sector collective bargaining
5. Role of private sector in providing government services
6. Citizen participation
7. Federal and State regulations
8. Voting and State-local party processes

Since the August meeting, the staff has prepared more complete evaluations. In the process we have conferred with the directors of the public interest groups and their research arm, the Academy for Contemporary Problems, with a number of Congressional staffs, and with appropriate persons at the Economic Development Administration (EDA) and the Labor-Management Relations Service (LMRS) to secure their opinions concerning the importance and scope of these subjects, and information on other research activities. I will describe certain of their reactions later in this report when discussing individual subjects. It is first necessary to discuss the research studies Congress has recently mandated ACIR undertake and the relevance of this work to research projects the Commission may select.

CONGRESSIONALLY MANDATED STUDIES

During the first 14 years of its existence, ACIR was not mandated to undertake any specific work by the Congress, although several Congressional committees urged ACIR to undertake its 1966-67 fiscal balance studies. However, during the next three years, studies on bank taxation, insurance of public deposits, and the National Forest Service revenue sharing program were assigned to us. Now, however, during the last several months of the 1976 session, the Congress mandated that ACIR undertake seven research projects, which might more accurately be thought of as six projects because two substantially overlap. The full statutory language requiring these research projects appears in Attachment B, but the short titles and deadlines are:

<u>PROJECT</u>	<u>DEADLINE</u>
Federal/State/Local taxing and spending authority, U.S. and foreign	Three years from first appropriation
State/local structure and servicing and financing relationships	" "
Intergovernmental economic stabilization and counter-cyclical aid	January 1978
Citizen participation in fiscal decisions	Three years from first appropriation

Forces affecting American
Federalism and possible
adjustments

Three years from first
appropriation

State taxation of
watercraft

None

We are currently seeking resources to substantially complete these mandated studies during FY '77 and FY '78. The deadline on the countercyclical aid study requires early attention and the four other general revenue sharing studies must be published by no later than mid-1979 if they are to be available and useful during the next hearings and debates on reenactment.

The Commission, we believe, shares certain concerns the staff has concerning mandated work--namely, that there is danger that it will crowd out Commission-selected projects which reflect a Federal/State/local estimate of priorities; that mandates can result in ACIR being required to devote its attention to matters of secondary and tertiary importance; and that ACIR's management and research capacity could be stretched so thin that the depth and quality of our work would suffer. These dangers are less likely if ACIR is granted the necessary additional resources as it was in connection with earlier mandated studies, but the concern is still there, in part because there are practical limits to how much our small management team can shepherd.

While believing that these are valid concerns and that we must be vigilant about overextension, I do not believe that the current batch of mandated studies should affect ACIR adversely if we are granted additional resources, as I believe we will be. Despite the mandated studies, there is still room for two major Commission-selected projects, which has been our norm. The mandated subjects, moreover, with perhaps one exception, provide interesting opportunities to undertake some new research and to update, reorder, and synthesize some past ACIR work. Two of the mandated subjects were among the top eight priority subjects preliminarily designated by the Commission on August 30. With the mandated projects, it is true, ACIR faces the largest research program in its history, yet we believe the combined assignments are within our capacity if we are granted the additional resources we have requested, including additional FY '77 money so that our work can be spread over the maximum period prior to the next revenue sharing reenactment hearings and statutory deadlines.

EVALUATIONS OF COMMISSION'S HIGHEST PRIORITY SUBJECTS

As was indicated above, the ACIR staff has further evaluated the eight highest priority subjects you designated in August. Outlines of our findings on each of the eight subjects appear in Attachment C.

In this section I will attempt to summarize certain critical facts, outside expressions, and other information that may be weighty as you make final choices of two major research projects to be undertaken beginning early in 1977.

Research on the intergovernmental economic stabilization and countercyclical aid subject, and on the citizen participation subject are among the Congressional mandates, so there is no need to present further information in this report on whether they should be selected. The Commission, however, at our upcoming meeting, may have suggestions or questions on the scope and content of these projects. I also will not comment further on Item 5 - Role of private sector in providing government services, Item 7 - Federal and State regulations, or Item 8 - Voting and State-local party processes, because there is nothing critical to add to what is set forth in Attachment C.

I will, therefore, be focusing on Item 1 - Competition among States and Regions, Item 3 - Central cities, and Item 4 - Public sector collective bargaining--the items that have necessarily captured our major attentions because of their prominence in recent national events and the heavy interest in these subjects on the part of outside parties consulted.

Competition Among States and Regions:

Following in the wake of the New York and other financial emergencies in 1975 and further developed and highlighted by The National Journal and Business Week articles this past Spring, the so-called "war between the States" has captured as much attention as any public affairs subject in 1976. Coalitions of governors and congressmen have been formed in a number of regions to vie for more favorable treatment from Washington to redress perceived imbalances; the research community is rushing to contribute; etc.

As discussion of this regional competition and migration subject has proceeded, some additional facts and research have surfaced. Earlier perceptions are being revised and the whole

subject is being given more bland and balanced labels, such as "regional competition for jobs, capital, and people". There is now more doubt about what has occurred, what degree of imbalance exists, and the underlying causes. Some assert that what we are witnessing is considerable, though not complete, success of Federal and State programs in lifting the once undeveloped South and West, and that the need now is merely to make appropriate policy adjustments in recognition of the gradually changing facts. Others heavily attribute certain regional trends to the relative decline of manufacturing, a sector most dominant in the Northeast and Great Lakes regions.

Because of the welter of activity on this subject, we have concentrated on whether it is important that ACIR enter this field and whether it can make a contribution on a timely basis. Conferences with the Academy for Contemporary Problems, whose President, Ralph Widner, is a recognized authority on regional development, and with the Economic Development Administration, which administers the major Federal regional development programs, produced the most valuable information we have on other research efforts and the appropriateness of an ACIR effort. We ultimately identified some 15 coalitions, institutions, and scholars that are undertaking research on such regional subjects. Of particular note is a \$6 million EDA research grant to the Great Plains region and a proposed \$6 million EDA research grant to the New England and Mid-Atlantic regions.

Despite these numerous research activities, both the ACP and EDA indicated that most of this research, even though undertaken with appropriate objectivity, will relate to specific regions and therefore can be expected to be marked by selectivity and advocacy. Hence, both strongly believe that there is an urgent need for some organization to be undertaking research on this same collection of subjects from a transcontinental perspective so as to formulate recommendations for balanced national policies. In each case, they underscored that ACIR is properly constituted and competent to undertake this assignment, citing our 1968 Urban and Rural America as evidence.

Because of the range of subject matter and size of effort that would have to be mounted, we believe research on this subject would best be organized as two interrelated projects--one for our Taxation and Finance Section and the other for the Structures and Functions Section. The fiscal

project would encompass at least interstate tax competition and the regional distribution of Federal aid, Federal establishments and payroll, other Federal outlays, and Federal tax expenditures. The non-fiscal project would cover growth and urbanization policies affecting regional shifts of jobs, capital, and people. We recommend substantial deletion of the energy topic from this project, except as we would inevitably recognize it as one of the important determinants of the economic health of certain regions. We so recommend because the overall project would be beyond our capacity if energy were included, because we have less competence in this subject area, and because we anticipate that other major research efforts will be mounted in 1977.

Central Cities:

Central cities as a research topic is, in fact, a collection of subjects that includes virtually every major American domestic problem, but economic base deterioration, the concentration of disadvantaged and high-cost people, fragmented local government structure, and fiscal system weaknesses stand out. ACIR, of course, has done major work in both the structure and fiscal areas throughout its history.

The major exercise for the staff as we have evaluated these subjects has been to determine how and to what extent the competition among States and regions subject relates and overlaps with the central cities subject. While governmental structure and finance are certainly important, there appears to be little question but that the fundamental and most important problem of the troubled central cities is obsolescence and loss of economic base, i.e., jobs. Therefore, if we focus primarily on economic base and job considerations in relating the regional competition and central cities subjects, we, on the one hand, have the fact that most of the most deeply troubled cities are in the Northeast quadrant of the United States, meaning that they are in the regions that are losing in the competition for jobs, capital, and people. On the other hand, however, it appears that for every industry or business that migrates from one region to another, there are perhaps 100 businesses that move out from a troubled central city to that city's own suburban ring or abutting rural area within the same market area.

If this new conceptualization of the central cities problems is reasonably accurate, the ACIR research on competition among States and regions, if selected by the Commission,

would make certain important contributions to the central cities' problems, but would not go into certain other aspects. Specifically, it appears that regional competition research would illuminate whatever help for central cities can come from improved Federal and State growth and urbanization policies and programs, from reduction and change in interstate tax competition, and from redistribution of Federal aid, payrolls, other outlays, and tax expenditures. What a regional competition project would not include would be inquiries into all of the causes for out-migration of jobs and businesses from central cities to the immediate surrounding areas, and research on new Federal, State, and local policies and programs to stem this flow and stimulate reinvestment in these cities.

Public Sector Labor Relations:

As the ACP has formulated its own work program during the past year or so, it gave major attention to public sector labor relations because of the importance the public interest groups and their principals--governors, mayors, county officials, etc.--place on this subject. Their conclusion to date has cast doubt on whether resources can best be devoted to further research. They have essentially decided for the time being to concentrate more on training and certain other applications of current knowledge.

At a meeting in October with the "Big 7" PIG directors, the importance of this subject was stressed, and they urged that we go further in evaluating whether further research by ACIR or another institution would be potentially fruitful. I then volunteered to develop a list of labor relations subjects on which further research seems to be needed, and to consult with the ACP and LMRS directors in doing so.

At their November meeting, I presented a list of some 12 subjects along with information on somewhat parallel work in the labor relations field that is going on. The ACP will be assembling a number of knowledgeable people for two or three days in February to participate in a "fresh rethink" or "blank paper" exercise on public employer-employee relations. The objective will be to wrench free of current practices and attempt to devise freshly conceived employer-employee relations practices. Because foreign practice often provides fresh perspectives, one basis of the discussion will be a paper recently prepared for the Academy, which describes experience in a number of Western European nations.

The second relevant current effort is the CED study on State and local government labor relations. Their objective is to produce this report by early Summer. ACIR, incidentally, is tied into the CED study in that Chairman Merriam is a member of the Committee.

After scrutiny of the list of potential research subjects and consideration of these parallel efforts, the PIG directors decided that they will reserve judgment on this subject until after the February ACP exercise, and conceivably even until after the anticipated CED report is issued. Accordingly, they decided not to make any recommendation or representation to the ACIR that it select this subject as a part of its research work program at this time.

ACIR RESEARCH PROGRAM REVIEWList of Major Intergovernmental Problems Suggested for ConsiderationTaxation & Finance

1. Interstate tax competition
2. Federal responsibility for achieving interstate equity and balance
3. Intergovernmental fiscal and economic stabilization policy
4. State-local financial administration
5. Public employee pension systems
6. Public procurement, improvement and taxation
7. Impact of Federal aid on State-local priorities
8. Ramifications of recent Federal legislation prohibiting discriminatory State and local taxation of railroads

Governmental Structure & Processes

1. Congress and inter-governmental relations
2. Federal Executive Branch reorganization
3. Limited governments (between general governments & special districts)
4. Small towns and small counties
5. Means and strategies of achieving improvements in local government structure
6. Assignment of functions-- case studies or models
7. Legislative oversight program evaluation and related processes
8. Public sector collective bargaining
9. Public participation
10. State-local management capacity building

Intergovernmental Policies & Programs

1. Central cities
2. Housing
3. National health care/ insurance, including Medicare/Medicaid
4. Welfare (income maintenance)
5. Energy
6. Regulation of business
7. Environmental protection and growth management
8. Consumer protection
9. Higher education
10. Programs for aged
11. Unemployment compensation
12. Workmen's compensation
13. Federal and State land management
14. Civil rights enforcement and anti-discrimination
15. Banking and insurance regulation

Miscellaneous

1. Equalization of education and other public services
2. Federal regulation of State and local governments
3. Role of courts in inter-governmental relations, with special reference to urban areas
4. Intergovernmental impact of recent "good government" legislation
5. Role of private sector in providing government services
6. Arrangements for improving intergovernmental communication and consultation
7. Voting and State-local party processes
8. Federal and State regulations
9. Intergovernmental transfers of research and development

Note: Many of the above subjects have components that would require a joint research approach involving both of ACIR's research sections, the Structure & Functions Section and Taxation and Finance Section.