The original documents are located in Box 1, folder "6/10/75 - National Governors Conference, New Orleans" of the Carla A. Hills Speeches at the Gerald R. Ford Presidential Library.

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NATIONAL GOVERNORS CONFERENCE New Orleans, Louisiana June 10, 1975

EACH TIME THAT I HAVE SPOKEN IN THE THREE MONTHS SINCE COMING TO HUD, I HAVE HAD A GREATER TENDENCY TO SEARCH FOR TOPICS, WHENEVER POSSIBLE, THAT ARE PLEASING TO MY AUDIENCE. BANKERS HEAR ABOUT THE BENEFITS OF THE FINANCIAL INSTITUTIONS ACT, NEWLY GRADUATED LAWYERS HEAR ABOUT THE NEW MORALITY AND OPENNESS IN GOVERNMENT, AND CITY OFFICIALS HEAR ABOUT OUR EFFORTS WHICH I BELIEVE ARE SUBSTANTIAL, TO FORMULATE A NEW URBAN HOMESTEADING PROGRAM.

My search to find a topic to fit the group reminds me of Senator Humphrey's remark to a group of businessmen wherein he extolled the virtues of private enterprise and lamented high labor costs, one businessman in the audience interrupted and said, "Senator, I bet you don't talk that way to labor leaders." "Young man, the Senator replied, if you mean that I talk more about mother on Mother's Day than I do on Easter, you're absolutely right."



IN THAT TRADITION WE APPROACH THIS CONFERENCE. IN A STRAIGHTFORWARD MANNER WE SIMPLY POLLED EACH OF YOU TO IDENTIFY YOUR PARTICULAR CONCERNS WITH RESPECT TO THE MATTERS DEALT WITH AT HUD.

WE FOUND THAT GROWTH MANAGEMENT AND LAND USE CONTROL HEAD YOUR LISTS. IT IS EASY FOR US TO AGREE THAT THESE TOPICS ARE OF MAJOR CONCERN.

WE AT HUD FEEL VERY STRONGLY THAT THE ESTABLISHMENT OF SOUND GROWTH POLICIES RANKS HIGH ON THE AGENDA OF CRITICAL PUBLIC ISSUES.

AND, WE ALSO KNOW THAT THERE IS AN INCREASING AWARENESS BY OUR CITIZENS THAT THE WAY IN WHICH WE USE OUR LAND PROFOUNDLY EFFECTS THE COST OF GROCERIES, HOUSING AND TRANSPORTATION.

BUT, AS APPEALING AS THESE WORDS MAY SEEM, BY REASON OF THEIR COMPATIBILITY WITH YOUR EXPRESSED CONCERNS, IT IS DIFFICULT TO SPEAK OR TO ACT MEANINGFULLY WITH RESPECT TO PLANNED GROWTH WHEN OUR REAL ECONOMIC GROWTH HAS BEEN DECLINING, OR TO TRY FOR NEW CONTROLS OVER LAND USE WHEN FEW ARE BUILDING.

Thus, we who are state or Federal officials may appear to others to be sitting motionless with respect to these issues of recognized concern.

THE FISCAL PROBLEMS ALL GOVERNMENTS FACE ARE PROFOUND AND DISTRACTING.

THE PROPERTY TAX BASE OF MANY CITIES HAS BEEN SERIOUSLY ERODED BY DEMOGRAPHIC AND ECONOMIC TRENDS.

A PAINFUL RECESSION HAS EATEN AWAY AT THE BASIC SOURCES OF TAX REVENUES.

AT THE VERY TIME WHEN TRADITIONAL SOURCES OF GOVERNMENT REVENUE ARE LESS CERTAIN, DOUBLE DIGIT INFLATION HAS PUSHED THE COST OF PROVIDING BASIC PUBLIC SERVICES TO STAGGERING HEIGHTS, WHILE THE UNEMPLOYMENT GENERATED BY THE RECESSION HAS CREATED EVER INCREASING DEMANDS FOR THOSE SERVICES.

IN TOO MANY COMMUNITIES VITAL SERVICES ARE BEING CURTAILED OR ELIMINATED. IN OTHERS, THE FISCAL INTEGRITY OF LOCAL GOVERNMENT ITSELF HAS FALLEN INTO QUESTION.



In the face of these pressures, you can see that you too have less money to serve greater needs, and at the same time you are all aware of the President's battle to avoid unreasonably large budget deficits.

So WE SEEM TO PRESENT THE ISSUES TO THE PUBLIC AND TO THE MEDIA IN VERY SIMPLISTIC TERMS.

Should we spend more money or should we spend less money to restore our economy to a healthy and growing state?

BUT, I SUGGEST TO YOU THAT OUR ANALYSIS MUST BE MORE PROFOUND AND OUR SOLUTIONS MORE CREATIVE.

IN THIS PERIOD OF ECONOMIC TRAUMA AS WE LOOK BACK
UPON THE DAYS WHEN GOVERNMENTS HAD RELATIVELY MORE MONEY,
WE CAN SEE THAT OUR PRESENT PLIGHT IS AS MUCH A FAILURE
OF SOUND AND COORDINATED INTER-GOVERNMENTAL ACTION AMONG
LOCAL, STATE AND FEDERAL GOVERNMENTS, AS A SHORTAGE OF FUNDS;
WE ARE FORCED TO THE REALIZATION THAT SOME OF OUR PAST
WAYS HAVE BEEN WASTEFUL.



THIS CONFERENCE PROVIDES US WITH THE OPPORTUNITY TO REFLECT UPON OUR RESPECTIVE ROLES AND RESPONSIBILITIES AND TO CONSIDER WHAT BALANCE OF INTER-ACTION AMONG THE DIFFERENT LEVELS OF GOVERNMENT WILL DELIVER PUBLIC SERVICES WITH THE LEAST WASTE TO THE TAXPAYER AND THE MOST RESPONSIVENESS TO THE PUBLIC'S NEEDS.

OURS, WE ARE OFTEN REMINDED, IS A THREE-TIERED SYSTEM OF GOVERNMENT. TO ASSESS GOVERNMENTS' RESPONSIBILITIES IN ANY AREA WITHOUT TAKING INTO CONSIDERATION ALL THREE LEVELS LEADS TO A LOPSIDED ASSESSMENT.

I REITERATE THAT POINT SOMEWHAT HUMBLY IN THE FACE OF THE TITLE YOU HAVE CHOSEN FOR YOUR CONFERENCE: "STATE RESPONSIBILITIES TO LOCAL GOVERNMENTS." THE FEDS GOT LEFT OUT.

I REITERATE IT ALSO BECAUSE THERE ARE SOME BROAD

GENERALITIES THAT ARE INSTRUCTIVE. LOCAL GOVERNMENTS ARE,

GENERALLY SPEAKING, THE LEAST CAPABLE OF GENERATING

SIGNIFICANT AMOUNTS OF REVENUE. EIGHTY-FIVE PERCENT OF

LOCAL REVENUES COME FROM PROPERTY TAXES, AND WE KNOW THAT

OVERUSE NOW MAY BE ADVERSELY AFFECTING LAND DEVELOPMENT.

AT THE SAME TIME WE KNOW THAT LOCAL GOVERNMENTS CAN
BETTER USE PUBLIC MONIES TO ATTRACT PRIVATE FUNDS IN JOINT
EFFORTS TO SERVE COMMUNITY NEEDS.

AND MOST IMPORTANT, LOCAL GOVERNMENTS ARE BEST SITUATED TO KNOW AND TO SHARE PUBLIC PROGRAMS TO MEET THE PECULIAR NEEDS OF THEIR RESIDENTS.

STATE GOVERNMENTS, HOWEVER, HAVE A BROADER PERSPECTIVE AND CAN BRING REGIONALISM TO GOVERNMENTAL DECISION-MAKING THAT GUARDS THE INEQUITIES OF PURELY LOCAL RESOURCE ALLOCATION.

AND, THE STATES HAVE A FAR GREATER VARIETY OF INCOME-GENERATING DEVICES AT THEIR COMMAND.

FINALLY, THE FEDERAL GOVERNMENT, HAVING THE BROADEST PERSPECTIVE, IS ABLE TO SET GOALS OF NATIONAL APPLICATION.

AND, THE FEDERAL GOVERNMENT HAS THE BROADEST BASED AND MOST EFFICIENT MEANS OF GENERATING REVENUES.

BUT, ITS DISTANCE FROM LOCAL PROBLEMS MAKES IT FAR LESS SUITED TO IMPLEMENT THOSE GOALS IN INDIVIDUAL COMMUNITIES.

THE AGONY OF THE PRUITT-IGOES TAUGHT US, FOR EXAMPLE, THAT THE PROBLEM OF PUBLIC HOUSING IS NOT ONE SUSCEPTIBLE TO SOLUTION BY THE FEDERAL GOVERNMENT ALONE.

WE NOW KNOW THAT THE PROBLEMS OF HOUSING LOWER-INCOME FAMILIES REQUIRE THE ATTENTION OF THE FULL INTER-GOVERNMENTAL SYSTEM.

HUD'S NEW RENTAL SUBSIDY PROGRAM IS BASED UPON THIS CONCEPT OF SHARED RESPONSIBILITY.

IT PROVIDES FEDERAL ASSISTANCE FOR STATE AND LOCAL DECISIONS ON HOW BEST TO MEET THE HOUSING NEEDS OF LOWER INCOME FAMILIES, AND IT GIVES THE LOCAL GOVERNMENTS THE RIGHT TO DECIDE WHETHER NEW, EXISTING, OR REHABILITATED HOUSING STOCK BEST MEETS THOSE NEEDS.

RENTAL SUBSIDIES FOR HOUSING IS JUST ONE EXAMPLE HOW SHARED RESPONSIBILITY CAN WORK.

WE BELIEVE THAT ALL OF OUR PROGRAMS WHICH ADDRESS STATE AND LOCAL PROBLEMS HAVE A GREATER PROBABILITY OF SUCCESS IF THEY ARE SHAPED AND DIRECTED BY YOU -- THE GOVERNORS, STATE LEGISLATORS AND MAYORS -- WHO HAVE FIRST-HAND KNOWLEDGE OF THE PROBLEMS ADDRESSED.

THE 1974 Housing Act encourages shared responsibility in the development of sound growth and land use planning.

I believe it points up at least two areas where states can make greater contributions.

FIRST, THE COMMUNITY DEVELOPMENT GRANT PROGRAM PROVIDES FEDERAL FUNDS TO LOCALITIES AND GIVES THEM BROAD DISCRETION IN HOW THOSE FUNDS WILL BE USED.

BUT TO OBTAIN THOSE FUNDS, A COMMUNITY MUST SUBMIT A COMPREHENSIVE PLAN SPECIFYING HOW IT WILL PRESERVE OR REVITALIZE EXISTING NEIGHBORHOODS, PROMOTE HOUSING CHOICES FOR LOWER INCOME FAMILIES, AND AVOID UNDUE CONCENTRATION OF POOR PEOPLE. IT IS RIGHT THAT LOCAL GOVERNMENTS BE REQUIRED TO ADDRESS THESE PRIORITIES.

But, the states are best suited to ensure greater coordination in the use of these Federal funds.

THE PROCESS OF COMMUNITY GROWTH OFTEN IGNORES THE ARTIFICIAL LINES THAT DELINEATE THE POLITICAL BOUNDARIES OF CITIES AND TOWNS. A NEW PLANT IN ONE TOWN MAY CREATE HOUSING NEEDS IN NEARBY COMMUNITIES. UNDUE CONCENTRATION OF POOR PEOPLE IN A CENTRAL CITY MAY ONLY BE CAPABLE OF MITIGATION ON A REGIONAL BASIS.

THE REGIONAL PERSPECTIVE OF THE STATE DILUTES THE PAROCHIALISM WHICH CAN PREVENT LOCAL COMMUNITIES FROM USING THEIR FEDERAL FUNDS IN WAYS THAT PROMOTE SOUND GROWTH:

A STATE CAN BRING ITS REGIONAL PRESSURE TO BEAR:

By provinding technical assistance to units of Local government;

By HELPING IN THE PREPARATION OF APPLICATIONS FOR COMMUNITY DEVELOPMENT FUNDS;

BY PROVIDING EXPERT ADVICE OF PLANNERS, ENGINEERS, OR FINANCIAL SPECIALISTS; AND,

By providing a clearing-house for the exchange of information among communities within the state.

CREATIVITY WITH RESPECT TO FUNDING IS A SECOND AREA WHERE STATES COULD DO MORE. ALTHOUGH THE FEDERAL COMMUNITY DEVELOPMENT GRANTS CONSTITUTE A SUBSTANTIAL RESOURCE, IT IS CLEAR THAT THE FEDERAL GOVERNMENT ALONE CANNOT PROVIDE ENOUGH FUNDING TO ACHIEVE ALL OF THE LOCAL COMMUNITIES' GOALS.

BUT, THE STATES CAN AUGMENT THESE FUNDS BY PROVIDING MATCHING GRANTS OF THEIR OWN. BY REGARDING THE FEDERAL FUNDS AS SEED MONEY, STATES CAN ENTICE ACTION BY LOCAL GOVERNMENTS AS WELL AS BY THE PRIVATE SECTOR, AND THUS BE INSTRUMENTAL IN DEVELOPING A CRITICAL MASS OF FUNDING THAT CAN FAR MORE EFFECTIVELY ADDRESS THE PROBLEMS OF RATIONAL GROWTH.

HUD WILL ENCOURAGE INCREASED STATE PARTICIPATION.

IN DISPENSING THE COMMUNITY DEVELOPMENT DISCRETIONARY

FUNDS, WE WILL GIVE PREFERENCE TO MULTI-JURISDICTIONAL

APPLICATIONS.

THE 1974 ACT ALSO FURTHERS THE CONCEPT OF SHARED RESPONSIBILITY WHILE IT CONTRIBUTES TO BETTER LAND USE PLANNING IN ITS REQUIREMENTS FOR SECTION 701 COMPREHENSIVE PLANNING GRANTS.

EACH RECIPIENT IS NOW REQUIRED TO DEVELOP A LAND USE PLAN SUITABLE TO ITS NEEDS AND SCOPE OF AUTHORITY. AND, EACH RECIPIENT MUST HAVE A COMPLETED LAND USE PLAN TO REMAIN ELIGIBLE FOR 701 FUNDS AFTER AUGUST, 1977.

TO ENSURE COORDINATION AT EACH LEVEL OF GOVERNMENT, HUD REQUIRES EACH LOCAL APPLICATION TO BE REVIEWED BY THE STATE TO DETERMINE WHETHER THERE IS THE REQUISITE COORDINATION WITH OTHER PLANNING ACTIVITIES IN THE STATE AND WHETHER THE PROPOSED OBJECTIVES ARE COMPATIBLE WITH STATE PLANNING GOALS. A NUMBER OF STATES ALREADY SUPPLEMENT THESE PLANNING GRANTS WITH STATE PLANNING FUNDS.



Thus, our 701 Program can, in many respects, provide a model of how shared responsibility can work.

BUT, IN ADDITION TO HUD'S SECTION 701 PROGRAM, THERE ARE AT LEAST SEVEN MAJOR FEDERAL LAND USE PLANNING PROGRAMS IN THE DEPARTMENTS OF COMMERCE, INTERIOR AND TRANSPORTATION, AND THE ENVIRONMENTAL PROTECTION AGENCY. THEY ARE:

COASTAL ZONE MANAGEMENT
WATER QUALITY
HIGHWAY CONSTRUCTION
OUTDOOR RECREATION
ECONOMIC DEVELOPMENT
MASS TRANSIT
AIRPORT CONSTRUCTION

THE LAND USE PLANNING ASSISTANCE IN THESE FEDERAL PROGRAMS ALONE TOTALS ABOUT \$250 MILLION PER YEAR.

BENEFITS FROM THEM ARE OFTEN CONSIDERABLE. LAND

USE PLANNING DECISIONS ARE MORE CAREFULLY CONSIDERED IN

TERMS OF THE COSTS AND BENEFITS OF ALTERNATIVE PLANS, AND

ALSO IN TERMS OF THEIR IMPACT ON OTHER ASPECTS OF COMMUNITY

DEVELOPMENT. UNQUESTIONABLY, THEY OFFER THE OPPORTUNITY TO

GET MORE FROM PLANNING DOLLARS.

But, these multiple Federal programs also offer the opportunity for confusion, delay, and duplication of effort, which means a wasting of those same planning dollars.

IN SOME CASES AS MANY AS 6 OR 7 LAND USE PLANNING SYSTEMS AND RELATED DEVELOPMENT PROGRAMS HAVE BEEN REQUIRED WITHIN A GIVEN GEOGRAPHIC AREA.

THE EXAMPLES ARE FAMILIAR. AIRPLANES AND HOUSES MAKE POOR NEIGHBORS. HIGHWAY CONSTRUCTION AND WATER QUALITY IMPROVEMENT MAY WORK AT CROSS PURPOSES. SUCH CONFLICTS GREATLY INCREASE DEVELOPMENT COSTS.

THE PROBLEM IS FURTHER COMPLICATED BY THE 60,000 OR SO GOVERNMENTAL UNITS, AT ALL LEVELS, WHICH HAVE VARYING DEGRESS OF INFLUENCE OVER LAND USE.

To all of this I can only say that we intend to put our house in order. President Ford has asked HUD to take the lead in rationalizing the various planning grant programs. Using HUD's 701 program, we have begun to enter into agreements with the other Federal agencies

WHICH HAVE PLANNING GRANT RESPONSIBILITIES.

IN AGREEMENTS WITH THE DEPARTMENT OF COMMERCE AND THE ENVIRONMENTAL PROTECTION AGENCY, THE LAND USE PLANS REQUIRED UNDER 701 ARE NOW DEEMED TO BE THE EQUIVALENT OF THOSE REQUIRED FOR EPA'S WATER QUALITY PROGRAM AND COMMERCE'S COASTAL ZONE MANAGEMENT PROGRAM.

IN THESE INSTANCES DUAL PLANS AND DUAL COSTS ARE ELIMINATED. AND, THESE AGREEMENTS FURTHER INSURE THAT ACTIONS TAKEN UNDER ONE PROGRAM WILL NOT NEGATE THE BENEFITS SOUGHT BY ONE OF THE OTHERS.

SIMILARLY, WE ARE ALSO SEEING GREAT STRIDES BEING MADE BY THE STATES TO DECREASE DUPLICATION AND TO INCREASE GOVERNMENT PRODUCTIVITY, OFTEN WITH THE ASSISTANCE OF 701 COMPREHENSIVE PLANNING FUNDS. THE INITIATIVES ARE VARIED AND CREATIVE.

FOR EXAMPLE, A CONSORTIUM OF GOVERNORS ON THE EAST COAST IS JOINTLY PLANNING TO PROTECT COMMUNITY AND ENVIRONMENTAL VALUES, WHILE, AT THE SAME TIME MAKING OFF-SHORE OIL DRILLING POSSIBLE.

Another group of Governors will be using 701 funds cooperatively to deal with the rapid expansion of coal mining.

GOVERNOR KNEIP IS ONE OF THE SEVERAL GOVERNORS WHO HAVE USED 701 FUNDS TO SUPPORT EXTENSIVE STATE GOVERNMENT MODERNIZATION EFFORTS.

GOVERNOR EVANS HAS USED 701 FUNDS TO ENABLE CITIZENS TO PARTICIPATE IN THE SETTING OF PRIORITIES OF HIS ADMINISTRATION.

MANY OF YOU HAVE MADE SIGNIFICANT PROGRESS IN MODERNIZING ORGANIZATIONAL STRUCTURE AND IMPROVING MANAGEMENT SYSTEMS AT THE STATE LEVEL.

In the Last decade at least 20 states have accomplished major reorganizations and 20 others have reshaped major state agencies.

GEORGIA CONSOLIDATED 300 BOARDS AND DEPARTMENTS INTO 22 FUNCTIONAL AGENCIES WHILE JIMMY CARTER WAS GOVERNOR.



IN MISSOURI GOVERNOR BOND HAS SPEARHEADED A MAJOR STATE REORGANIZATION.

WE SEE ALSO IMPROVEMENT AT THE LOCAL LEVEL. WHERE IT HAS PROVEN APPROPRIATE, LOCAL GOVERNMENTS HAVE MERGED FUNCTIONS OR CONSOLIDATED GOVERNMENTAL UNITS TO MAKE SERVICE DELIVERY MORE EFFICIENT.

INDIANAPOLIS AND MARION COUNTY'S UNIGOV IS ONE OF THE MORE AMBITIOUS ATTEMPTS AT SUCH CONSOLIDATION.

OTHER LOCAL GOVERNMENTS HAVE ALSO LAUNCHED PRODUCTIVITY PROGRAMS OR TAKEN OTHER STEPS TO IMPROVE EFFICIENCY.

I AM ESPECIALLY PLEASED THAT MANY OF THESE STATE AND LOCAL REFORMS WERE UNDERTAKEN AS A RESULT OF STUDIES FUNDED WITH 701 COMPREHENSIVE PLANNING GRANTS.

WE ALL KNOW, HOWEVER, THAT MUCH REMAINS TO BE DONE
TO IMPROVE THE EFFICIENCY AND PRODUCTIVITY AMONG ALL LEVELS
OF GOVERNMENT.



In the past, communications between the Federal Government and the Governors have not entirely met the needs of either. The impact of some Federal programs on state governments has not received enough attention. Consultation about new Federal policies has at times occurred after the fact.

THAT KIND OF COMMUNICATION WILL NOT SUPPORT THE PRINCIPLE OF SHARED RESPONSIBILITY THAT WE SO BADLY NEED TO IMPLEMENT FOR TRULY EFFICIENT GOVERNMENT.

WHAT WE NEED NOW IS A CONTINUING DIALOGUE. AS A MECHANISM WE NEED AN ORGANIZATION THROUGH WHICH INFORMATION AND IDEAS MAY BE SOLICITED AND SHARED AT ALL THREE LEVELS OF GOVERNMENT.

THERE IS AN ORGANIZATION THAT CAN BE USED FOR THIS END. THE NEW COALITION, A NON-PARTISAN ASSOCIATION OF GOVERNORS, STATE LEGISLATORS, COUNTY OFFICIALS AND MAYORS, ORGANIZED BY YOUR FORMER CHAIRMAN, GOVERNOR EVANS, AND CONTINUED BY YOUR CURRENT CHAIRMAN, GOVERNOR RAMPTON, IS ALREADY WORKING IN THIS AREA.



PRESIDENT FORD HAS ASKED THE DOMESTIC COUNCIL TO WORK WITH THE NEW COALITION ON FEDERAL BUDGETARY AND POLICY MATTERS.

I WOULD LIKE THE NEW COALITION TO TAKE ON ANOTHER ASSIGNMENT.

I WOULD ASK THAT THE GOVERNORS' CONFERENCE AND THE NEW COALITION TO TAKE THE LEAD IN FORMALIZING THE MUCH NEEDED DIALOGUE SO THAT GOVERNMENT OFFICIALS AT ALL LEVELS CAN SIT DOWN TO AN AGENDA OF ISSUES AS TO WHICH THEY SHARE RESPONSIBILITY. THE POTENTIAL LIST IS LONG.

Toward this end I am now naming David Meeker, HUD's Assistant Secretary for Community Planning and Development to serve as liaison to both the Governors' Conference and to the New Coalition to assist in developing this exchange of ideas.

I VERY MUCH HOPE THAT APPROPRIATE OFFICIALS CAN MEET WITH MR. MEEKER AT THIS CONFERENCE AND WORK-OUT AN AGENDA OF ISSUES AND FUTURE MEETINGS SO THAT WE CAN CREATE THE CHANNELS OF COMMUNICATIONS ESSENTIAL TO A STRONG, EFFICIENT TRI-PARTITE GOVERNMENTAL SYSTEM.

IT IS AN HONORED MAXIM OF MY PARTY THAT THE BEST GOVERNMENTS ARE OFTEN THOSE THAT GOVERN LEAST -- BUT ALL PARTIES AGREE, THAT THE BEST SPEAKERS ARE THOSE THAT SEPAK THE LEAST. WITH THAT IN MIND I THANK YOU FOR INVITING ME. I HAVE ENJOYED IT. I WILL GLADLY JOIN YOUR QUESTION AND ANSWER SESSION.

