

# Intergovernmental PERSPECTIVE

## 2 Letter from the Chairman

## 4 Washington Watch

Domestic Council To Hold Hearings  
SSI Program Makes News  
Fair Labor Standards Case to Be Reargued  
OMB/GSA Study Examines Assistance Programs  
Transportation Legislation Off to Slow Start

## 6 A New Approach to Coordinated Transportation

In a recently released ACIR report, the Commission outlined a new regional approach to improve transportation planning and implementation. In this article, ACIR Senior Analyst Bruce McDowell discusses transportation problems in light of the study's findings and outlines the Commission's recommendations.

## 7 Federal Role

## 10 State Role

## 11 Local Role

Implications for Federal, state, and local governments are outlined.

## 12 Where It Works: Maryland, Minneapolis-St. Paul, and Chicago

Successful implementation of various facets of the ACIR transportation model has been achieved in a number of governmental units across the country. This article highlights activities of three: the Maryland Department of Transportation, the Minneapolis-St. Paul Metropolitan Transit Commission, and Chicago's Regional Transportation Authority.

## 16 ACIR News

Commission Recommends Change in Taxation of Military  
Study Looks at Deposit Pledging Requirements  
ACIR Grant Study Releases Preliminary Figures  
Public Sector Growth Study: An Update

## 18 A Fiscal Note: Closing the Income Gap Between Rich and Poor States

ACIR staff computations show that the disparity between per capita income levels of "rich" and "poor" states has narrowed considerably in recent years. This "equalization" shows up most dramatically when comparisons are made by region.

## 19 And Briefly: Books

*The County Year Book—1975*  
*Toward More Balanced Transportation*  
*American Federalism: Toward a More Effective Partnership*  
*The Critical Hundred Days: A Handbook for New Governors*  
*1975 Changing Public Attitudes on Governments and Taxes*  
*The Politics of Neglect*

## 20 ACIR Members

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## 2 View from the Commission

Representative Charles Kurfess, Minority Leader of the Ohio House of Representatives, gives his views on the implementation of the Safe Streets Act in Ohio. In every issue, this column will feature a member of the Commission, describing his experience and views on the major topic of *Intergovernmental Perspective*.

## 4 Washington Watch

Federal Management Office Transferred to OMB  
 Commission Recommends Changes in Juvenile Sentences  
 Revenue Sharing Office Revises Nondiscrimination Regs  
 Implementation of Circular A-107 Disappoints State, Local Officials  
 Federal Report Urges Flexibility in State, Local Grant Management

## 6 The Safe Streets Act: Seven Years Later

Following an eight-month study of the workings of the Safe Streets Act, the Commission passed a series of recommendations aimed at decategorizing the grant and increasing the authority and capacity of LEAA and the state planning agencies to implement the Act. In this article, ACIR Senior Analyst Carl Stenberg discusses the findings of the study upon which the Commission recommendations were based.

## 10 Federal Action

## 11 State Action

## 12 Where It Works: Ohio, North Dakota, and Kentucky

This article highlights innovative approaches to the administration of the Safe Streets Act taken in three states.

## 16 ACIR News

ACIR Updates Legislative Program  
 ACIR/National Municipal League Hold Meetings in Chicago  
 Commission Urges Change in Withholding of Military Pay  
 ACIR Begins Study on Forest Revenue Sharing  
 Most State Administrators Are Familiar with ACIR

## 18 A Fiscal Note: The Intergovernmental Fiscal Seesaw

ACIR staff computations describe the divergent pattern of Federal and state-local spending over the last five years as a "seesaw." The rate of Federal spending has increased rapidly; the rate of state-local spending has fallen.

## 19 And Briefly: Books

*ACIR State Legislative Program*  
*States' Responsibilities to Local Governments: An Action Agenda*  
*Cities, Suburbs, and States*  
*Ethics: State Conflict of Interest/Financial Disclosure Legislation*  
*Financing the New Federalism: Revenue Sharing, Conditional*  
*Grants, and Taxation*  
*Federal Programs and City Politics*

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## 2 View from the Commission

Conrad M. Fowler, Probate Judge of Shelby County, Alabama, gives his views of the courts' role in intergovernmental relations.

## 4 Washington Watch

Reform Bill Calls for Regular Reauthorization of Programs  
Municipal Bankruptcy Revision Signed into Law

Legislation Introduced to Strengthen Regional Planning

Roth, Kennedy Introduce Federal Program Information Act

Subcommittee to Hold Hearings on Public Pension Regulation

Committee Reports Revenue Sharing Bill

Bill to Offer Taxable Bond Option Passes Committee

## 6 Federalism Before the Court

The key role of the courts in the evolution of the federal system as we know it is the focus of this article by ACIR staffers Joanne L. Doddy and Larry C. Ethridge. This article represents a departure from the focus on ACIR studies of the first two issues of *Intergovernmental Perspective* and is an original piece of research specially written for this publication.

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## 12 Federal Courts

## 13 State Courts

## 15 Where It Happened

This article highlights background and findings in three key court cases.

## 20 ACIR News

Commission Recommends Action on Health, Grant Management  
Senate to Hold Hearings on ACIR Bank Tax Recommendations  
Findings Show Impact of Inflation on State, Federal Revenues  
ACIR Chairman, Staff Testify Before Congress  
Content, Dimensions Approved for Financial Emergencies  
Update

## 22 A Fiscal Note: Economic Factors Key in State Revenue Rise

## 23 And Briefly: Books

*School Finance Reform: A Legislators' Handbook*

*The Municipal Year Book: 1976*

*Property Taxation, Land Use and Public Policy*

*The Individual Income Tax*

*The Property Tax System: A Manual*

*The Comprehensive Employment and Training Act: Impact on People, Places, Programs*

*The Role of the States in Strengthening the Property Tax*

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## 2 Federalism: A Revolutionary Heritage

David B. Walker, Assistant Director of ACIR, summarizes the legacy of the Revolutionary period from an inter-governmental viewpoint.

## 4 Washington Watch

Court Strikes Down FLSA Extension to States, Cities House, Senate Move Toward LEAA Reauthorization Revenue Sharing Bill Passes House 361-35

Two Commissions Proposed to Improve Government Operations

Tax Reform Bill Includes Two ACIR Recommendations

Supreme Court Refuses to Hear Commuter Tax Cases

Highway Program Extension Signed Into Law

Senate Passes Federal Program Information Act

## 6 The Presidency and Intergovernmental Relations

David R. Beam, ACIR Analyst, discusses executive branch organization as it impacts on federal-state-local relations and describes ACIR recommendations to strengthen the institutional Presidency as manager and policy maker.

## 8 Federal Action

## 9 State Action

## 12 Where It Works

Canada's Ministry of State for Urban Affairs and Utah's State Planning Advisory Committee and Advisory Council on Local Affairs have launched systems for intergovernmental coordination and cooperation.

## 15 And Briefly: Books

In Respect to Realities. A Report on Federalism in 1975

Understanding the Market for State and Local Debt

It's Your Business: Local and State Finance

State Growth Management

Toward A Planned Society. From Roosevelt to Nixon

The Urban Predicament

Improving Urban America: Challenge to the Federal System

## 16 ACIR News

Community Development Tops List of ACIR Action

ACIR to Meet in South Dakota

ACIR/NASBO Survey Highlights Importance of State Pass-Through

ACIR Studies State Controls on Local Property Taxation

Staff Represents Commission Abroad, Before Platform Committee

## 18 A Fiscal Note: Changing Roles in Social Welfare Partnership

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## **2 View from the Commission**

Senator William V. Roth of Delaware discusses the impact of inflation on the growth of the public sector and on income tax revenues.

## **4 Washington Watch**

GRS Extended For 3-3/4 Years  
Congress Votes To Renew LEAA  
1976 Tax Reform Bill Goes to President  
Ashley Introduces Bill on Intergovernmental Coordination  
Multistate Tax Compact Upheld in District Court  
Report Concludes that School Desegregation Works  
National Growth Policy Aired in Recent Report  
ABA Committee Drafts Model Procurement Code

## **6 State-Local Watch**

California Legislature Acts to Preserve State's Coast  
States Act to Aid Local Fiscal Management  
Pennsylvania Legislature Seeks More Oversight of Federal Funds  
Common Cause Tests Accountability of State Utility Commissions

## **8 Government Growth: An Intergovernmental Concern**

The impact of public sector growth on the intergovernmental system is examined by Michael Bell and L. Richard Gabler.

## **15 Adjusting Personal Income Taxes for Inflation**

Former ACIR staff members Robert D. Ebel and Ronald C. Fisher discuss the impact of inflation on personal income taxes and the effect indexation would have on this inflation—income taxation interplay.

## **21 And Briefly: Books**

State Actions in 1975  
State Taxation of Military Income and Store Sales  
Pragmatic Federalism: The Reassignment of Functional Responsibility  
Improving Urban America: A Challenge to Federalism  
1976 Changing Public Attitudes on Governments and Taxes  
Significant Features of Fiscal Federalism  
Local Government Personnel Administration  
The Book of the States 1976-77  
Property Tax Relief Programs for the Elderly  
Transportation Authorities in Federal Human Services Programs

## **22 ACIR News**

ACIR Urges Stronger Legislative Role in Use of Federal Funds  
Commission Approves Indexation, Oks "Lids," with Qualifications  
ACIR Holds Hearings on Reimbursement for Federal Land  
ACIR Testifies on Future of Cities  
Task Force Report Urges Broadened ACIR

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## 2 View from the Commission

ACIR Chairman Robert E. Merriam introduces ACIR's 1976 report on federalism and offers his personal comments about emerging opportunities for improvement in the federal system.

## 4 Washington Watch

Revenue Sharing  
Tax Reform  
Payments in Lieu of Taxes  
Public Works Employment Act  
Law Enforcement Assistance Administration  
Coastal Zone Management  
Bankruptcy Act  
Mid-Decade Census  
Federal Aid Highways Act  
Airport and Airway Development  
Solid Waste Management  
Economic Development Act  
CETA-Title VI  
Emergency Medical Services  
Surplus Property Program  
Outlook for 1977  
Growth and Development Reports  
Civil Rights Report

## 8 State-Local Watch

Fiscal Actions  
State Government Modernization  
Local Government Reform  
Environment v. Growth  
Energy  
Social Services  
Consumer Protection  
Equal Rights  
Criminal Justice  
Government Accountability

## 10 Restraint and Reappraisal: Federalism in 1976

Each year the Commission examines the major intergovernmental happenings in the previous year in a report on federalism. This year's report is contained in this issue of *Intergovernmental Perspective*.

## 28 ACIR News

Health  
Community Development  
Manpower  
Federal Grant Management and Administration  
States as Providers, Administrators  
Indexation  
Property Tax Lids  
Cigarette Smuggling  
Federal Insurance of Public Deposits  
Cash Management  
Future Activities

## 31 And Briefly: Books

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## **2 View from the Commission**

South Dakota Governor Richard F. Kneip discusses the importance of ACIR's study of federal aid in terms of its impact on recipients.

## **4 Washington Watch**

Congressional Budget Office Recommends Advance Funding Hearings Held, Markup Scheduled for Sunset Legislation  
U.S. Supreme Court Upholds Mississippi Tax on Interstate Business  
Sen. Magnuson, Rep. Ashley Introduce Intergovernmental Coordination Act  
President Carter Signs Bill to Reorganize Executive Branch  
Carter Budget Increases Federal Aid, Includes Economic Stimulus Package

## **6 State-Local Watch**

U.S. Supreme Court Upholds New York Charter Procedure Court Requires Davenport, Iowa, to Change Focus of CDBG Spending  
State of State Messages Reflect New Realities  
New Jersey Court Leaves Decision on Poor Housing Quota to Legislature  
Brief Highlights of 1977 State Legislative Developments

## **8 Block Grants: The Middlemen of the Federal Aid System**

The workings of the five programs recognized as block grants are described and potential of the grant form analyzed in this article by ACIR Senior Analyst Carl Stenberg.

## **14 Categorical Grants: Some Clarifications and Continuing Concerns**

Categorical grants are the oldest and perhaps the most misunderstood form of grant, according to ACIR Assistant Director David B. Walker, who discusses several major findings of the Commission staff in the area of categorical aid in this article.

## **20 A Fiscal Note: Federal Aid to States, Localities Increases Substantially in FY 1977**

## **21 ACIR News**

ACIR to Meet May 5-6; Six New Members Named  
ACIR Updates 1973 Study on Substate Regionalism  
ACIR Chairman and Staff Testify Before Congress

## **22 And Briefly: Books**

## **24 ACIR Members**

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## **2 View from the Commission**

Mayor Jack D. Maltester of San Leandro, California discusses the significance of taxing and spending limitations on local governments.

## **4 Washington Watch**

First Reorganization Plan Submitted by President  
Sunset Bill Approved by Senate Committee  
Major Changes Anticipated at LEAA  
Study Shows Revenue Sharing Value Eroded  
Impact of Federal Budget on Cities  
HUD to Review Low Income Housing Policy  
Conferees Meeting on Juvenile Justice Act

## **6 State-Local Watch**

Rhode Island Enacts Circuit Breaker Bill  
State Finance Panels Upheld  
Connecticut School Financing Ruled Unconstitutional  
New York City to Review Zoning Laws  
Pennsylvania Keeps Its Utility Tax

## **7 Tax Lids and Expenditure Mandates: The Case for Fiscal Fair Play**

ACIR Assistant Director John Shannon and Senior Analyst L. Richard Gabler discuss state-local fiscal tensions surrounding taxing limitations and expenditure mandates and offer the ACIR's four rules of "fiscal fair play".

## **13 A Fiscal Note: State Funding of Schools Accelerates**

## **14 ACIR News**

ACIR to Meet in September  
Military to Deduct State Income Taxes  
ACIR Testifies on Federal Funds Oversight  
Florida Enacts a State ACIR  
ACIR Model for New Australian Council

## **15 And Briefly: Books**

## **16 ACIR Members**

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## 2 View from the Commission

Maryland House Speaker John Hanson Briscoe discusses ACIR's two-year project assessing the intergovernmental grant system, and the growing dependency of state and local governments on federal aid programs.

## 4 Washington Watch

## 7 State-Local Watch

## 10 Federal Aid Administrators and the Federal System

ACIR Assistant Director David Walker presents a review of federal administrators' attitudes regarding the federal grant system, and suggests that the natures of that system and those administrators have changed.

## 18 Special Report

As a followup to the Summer issue dealing with state-local fiscal relations, this special report highlights recent Commission recommendations on state mandates and the impact of tax exempt federal land on local government finances.

## 19 ACIR News

## 20 A Fiscal Note: State-Local Welfare Expenditures

## 21 And Briefly: Books

## 24 ACIR Members

# Intergovernmental **PERSPECTIVE**

- 2 View from the Commission**  
Robert E. Merriam introduces ACIR's annual report on federalism, and offers some observations on his eight years' service as Chairman.
- 4 A Tilt Toward Washington: Federalism in 1977**
- 5 The Unresolved Questions**
- 8 Federal Initiatives and Impacts**
- 15 The States in 1977**
- 32 The Courts and Federalism**

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# Intergovernmental **PERSPECTIVE**

- 2 View from the Commission**  
ACIR Chairman Abraham Beame discusses the significance of the Administration's concern with urban problems as expressed in the recent urban policy initiatives.
- 4 Washington Watch**  
Cigarette Bootlegging Proposals Under Discussion  
Transportation Legislation Submitted to Congress  
Government Regs Reform Ordered by President
- 5 State-Local Watch**  
Idaho Task Force Reports on Local Reforms  
Functional Transfers Proposed for Atlanta-Fulton County Area  
Debate Surfaces on Level of State Surpluses  
New Jersey Seeks Urban Growth Strategy  
Tennessee Constitutional Revisions Adopted by Voters  
Project Funded to Help State Legislative Monitoring  
29 States Agree on Military Pay Withholding
- 7 National Urban Policy:  
Initial Intergovernmental Readings**  
This article discusses the Carter Administration's proposed urban policy and raises a series of intergovernmental questions that must be addressed as the legislative packages and administrative changes are considered.
- 15 Where It Works**  
The efforts of three states, Massachusetts, California and Michigan, to formulate and implement comprehensive urban policies are discussed.
- 17 ACIR News**  
ACIR Has New Address, Telephone Numbers  
Beame Named ACIR Chairman  
Federal Aid Reform Proposals Being Drafted  
ACIR Federal Aid Monitoring Project Underway  
Buck Act Amendment Sought
- 18 A Fiscal Note**
- 19 And Briefly: Books**
- 20 ACIR Members**

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**2 View from the Commission**

Los Angeles Mayor Thomas Bradley discusses early readings of the impact of Proposition 13 and its probable effects on other parts of the country.

**4 Intergovernmental Focus**

Congress and White House Endorse Efforts to Eliminate Waste, Inefficiency  
 Income Tax Indexation Grows in Popularity  
 Regional Government Plan Adopted by Portland Voters  
 Congress, States Move to Curb Cigarette Bootlegging  
 Legislative Proposal Calls for LEAA Restructure, Reauthorization  
 State Incentive Grant Proposal Faces Congressional Scrutiny

**8 After Jarvis: Tough Questions for Fiscal Policymakers**

It is the state and local policymakers who must deal with Jarvis-Gann and similar efforts to limit taxing and spending, say ACIR Assistant Director John Shannon and Information Officer Carol S. Weissert. They outline some of the questions facing these policymakers.

**13 Proposition 13 and California's System of Governance**

Although most of the attention given to Proposition 13 has focused on the fiscal aspects, its effect on the structure and functions of California government will also be significant, according to ACIR Assistant Director David B. Walker.

**16 The State-Local Role in Economic Stabilization**

John P. Ross and Susannah Calkins, who prepared an upcoming Commission report on federal stabilization policy and state and local governments, highlight findings from their study.

**21 ACIR News**

Commission Supports Countercyclical Aid, Establishes Committee to Review Workplan  
 Survey Shows Military Withholding Improved Administration and Compliance  
 Financial Management Project Drafts Bills, Works with States  
 ACIR Testifies on Small Cities, State Incentives  
 ACIR Staff Members Present Papers, Meet with European, Australian Officials  
 Commission Member News

**23 And Briefly: Books**

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## **2 View from the Commission**

Commerce Secretary Juanita M. Kreps discusses the importance of expanding public understanding of regional differences through work such as that described in this issue of *Perspective*.

## **4 Intergovernmental Focus**

National and State Urban Policies Continue to Inch Toward Reality

Cigarette Bootlegging Bills Pass House and Senate

Pennsylvania Supreme Court Validates Legislative Appropriation of Federal Funds

State-Local Issues are Key Concern in Several States During 1978

ACIR Updates Count of Categorical Grants

Federal Aid Monitoring Project Submits Interim Report to President

## **8 Frostbelt and Sunbelt: Convergence Over Time**

Janet Rothenberg Pack outlines findings of ACIR's initial work in the area of regional growth and development. Much of the data in this article was compiled by a former ACIR staffer, Gordon Folkman.

## **16 Federal Expenditures and Revenues in Regions and States**

This article summarizes some of the work done for the Commission by I. M. Labovitz in the area of state and regional shares of federal revenues and expenditures.

## **24 A Fiscal Note**

ACIR Assistant Director John Shannon has devised what he calls an impressionistic evaluation of several ways to slow down state and local spending.

## **26 ACIR News**

ACIR Reviews Early Findings on Regional Growth, Functional Assignment

ACIR Testifies on Proposition 13, Federal Grant Reform and Consolidation

Commission Member News

## **27 And Briefly: Books**

## **28 ACIR Members**

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Winter 1979, Vol. 5, No. 1

## 2 View from the Commission

William O. Beach, County Executive of Montgomery County, Tennessee, introduces ACIR's annual report on federalism and describes some of the approaches taken by Tennessee to constrain public sector growth, an issue of concern in many states and in Washington in 1978.

## 4 1978: The Year of the New Propulism

## 6 States Tackle Tough Fiscal Issues

## 31 In Washington: Not Many Answers

## 43 And Briefly: Books

Countercyclical Aid and Economic Stabilization  
The Adequacy of Federal Compensation to Local Governments for Tax Exempt Federal Lands  
Categorical Grants: Their Role and Design  
Summary and Concluding Observations  
State Mandating of Local Expenditures  
The Michigan Single Business Tax: A Different Approach to State Business Taxation  
Changing Public Attitudes on Governments and Taxes  
In Brief—The Intergovernmental Grant System: An Assessment and Proposed Policies  
In Brief—State Mandating of Local Expenditures

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## 2 View from the Commission

Lynn Cutler, Supervisor of Black Hawk County, IA, points out the timeliness of this issue of *Perspective* and the importance of Congressional consideration of a variety of alternatives to "balancing the federal budget."

## 4 Intergovernmental Focus

GRS, LEAA, Countercyclical Aid Top Current  
Congressional IGR Agenda  
Federal, State Court Decisions Affect State, Local  
Governments  
Various States and the Congress Consider Income Tax  
Indexation

## 8 Restraining the Federal Budget: Alternative Policies and Strategies

Embedded in the balanced budget movement are calls for a variety of ways to slow the growth in the public sector. In this article ACIR Assistant Director John Shannon and Analyst Bruce Wallin discuss 12 of these ways and analyze the strengths and weaknesses of each.

## 15 The Balanced Budget Movement: A Political Perspective

ACIR Assistant Director David Walker discusses the political history and implications of the balanced budget movement.

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Maurice White

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## 21 ACIR News

Senator Sasser, Governor Riley Named to Advisory  
Commission  
Commission Urges Revenue Sharing Renewal, Proposes  
Changes in Citizen Participation  
ACIR Financial Management Project Offers Technical  
Assistance to States  
ACIR Staff Testifies on Law Enforcement, 1980 Budget,  
and GRS

## 23 And Briefly: Books

## 24 ACIR Members

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## **2 View from the Commission**

South Carolina Governor Richard Riley discusses the importance of continuation of the federal revenue sharing program and retention of the states in the program.

## **4 Intergovernmental Focus**

Numerous States Reduce Taxes, Enact Spending, Tax Limits

Sunset Concept Gaining in Congress, States

States Act to Set Up Intergovernmental Forums

The White House and the Congress Initiate Grant Reform Efforts

1980 Census, Mid-Decade Census Planning Underway

Congress Considers Several IGR-Related Measures

Legislation Introduced to Amend Buck Act, Allow Certain Taxes on Military Bases

## **10 Revenue Sharing for States: An Endangered Species**

ACIR Senior Analyst Will Myers and Assistant Director John Shannon highlight the recent Congressional debate over the states and general revenue sharing and present a strong case for retaining the states in the continuation of the program.

## **19 ACIR News**

Governor Dalton, Speaker McCarthy Named to Advisory Commission

ACIR Adopts Recommendation on Mortgage Revenue Bonds

ACIR Chairman, Members Testify on Sunset, Mortgage Revenue Bonds, GRS

Cigarette Bootlegging Law Results in Arrests, Federal-State Cooperation

ACIR/NAPA Develop Indicators of State Efforts to Aid Localities

ACIR Poll Reveals Change in Public Perception of Washington

## **22 A Fiscal Note: Our Intergovernmental Tax System: 50 Years of Growth and Change**

## **23 And Briefly: Books**

## **24 ACIR Members**

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# PERSPECTIVE

## 2 Views from the Commission

In this issue, two Commission members, Governors Bruce Babbitt and Richard Snelling, discuss the importance of ACIR's study of the federal role in the federal system and outline alternative routes the Commission might take in its recommendations in this key area.

## 4 Intergovernmental Focus

Mandating, Fiscal Note Legislation Considered at State, Federal Levels  
Grant Reform Hearings Concluded, Rural Efforts Show Promise

## 6 The Creation, Care and Feeding of Leviathan: Who and What Makes Government Grow

This article by ACIR Analyst Cynthia Colella highlights recent work by the Commission in examining the almost continual addition to and expansion of the federal government's myriad functional roles. The article discusses the parts played by the various actors including Congress and the President, as well as the effect of other factors such as environmental influences.

## 12 The Accidental Leviathan: Was the Growth of Government a Mistake?

Another key part of the federal role study relates to why government grew. In large measure, the growth was an accident, says ACIR Senior Analyst David Beam in this article dealing with both fiscal and regulatory federal actions.

## 20 ACIR News

ACIR Meeting Rescheduled for December 6-7  
Oregon Senate President Named to Commission  
ACIR Schedules Conference on Federal Grant Law  
ACIR Vice Chair Testifies on Grant Reform Legislation  
Indicators Show Increased State Efforts to Assist Localities  
ACIR Initiates Study of A-102 Compliance

## 22 And Briefly: Books

## 24 Commission Members

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# PERSPECTIVE

## **2 View from the Commission**

Congressman L. H. Fountain of North Carolina discusses some of the changes in the intergovernmental system over the past 20 years and highlights some of the history of the formation of the Commission in 1959.

## **4 Federalism in Transition: 1959-79**

ACIR Assistant Director Carl W. Stenberg looks at the key intergovernmental events and trends of the past 20 years, a period which he says has "altered the fiscal, functional, and political balance within the federal system" as well as re-kindled the debate over the proper division of powers and responsibilities among the constituent governmental units.

## **14 ACIR and the Intergovernmental System: A 20-Year Review**

Like the intergovernmental system, the ACIR has changed in many ways over its first 20 years. In this article, ACIR Information Officer Carol S. Weissert outlines those changes and makes some assessment as to how effective the Commission has proven to be over the years.

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# Intergovernmental **PERSPECTIVE**

## **2 View from the Commission**

United States Senator Jim Sasser discusses the need for more economy and efficiency in the massive intergovernmental aid system.

## **4 The Big Squeeze: Government by Tradeoff**

An overview of the new mood ushered in with the 1980s: tradeoffs, cutbacks, and slowdowns replace expansion, innovation, and improvements.

## **6 National Events in 1979: The New Austerity Takes Hold**

ACIR Federal Relations Associate Michael Mitchell examines concurrent trends in 1979 towards austerity and program growth.

## **16 States Respond to Tough Fiscal Challenges**

ACIR State-Local Relations Associate Jane Roberts takes an indepth look at how the states are coping with an "age of limits."

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## **31 ACIR News**

Beame Reappointed Chairman, Three New Members Join ACIR

ACIR Testifies on Grant Consolidation, Welfare Reform

Federal Fiscal Constraint, Pensions Subjects of New ACIR Recommendations

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# PERSPECTIVE

## 2 View from the Commission

ACIR Chairman Abraham Beame discusses the importance of examining the forces likely to affect the nature of the American federal system in the short- and long-term future and describes ACIR's upcoming conference on the future of federalism.

## 4 Intergovernmental Focus

Congress Makes Budget Cuts, Considers GRS Reauthorization  
FLSA Tribulations Continue, Trials Likely  
Grant Reform, Sunset Bills Advance in the Senate  
Legislation Considered to Limit State Taxation Powers

## 6 Forecasting the Future of Federalism

Although predictions are risky at best, attempts to examine the various forces that will affect the future and to analyze possible scenarios can be quite useful. ACIR Senior Analyst David R. Beam lays the background for ACIR's consideration of the future of federalism by reviewing the dramatic changes of the past 20 years and examining the analytical problems inherent in forecasting developments likely to occur over the next decade. This piece is excerpted from a longer paper prepared for ACIR's Conference on the Future of Federalism.

## 10 Fiscal Federalism in the 1980s

George F. Break, professor of economics at the University of California at Berkeley, discusses what may occur in the 1980s under three possible scenarios: high inflation, a slow-growth, and a world of high-cost energy. This piece is excerpted from a longer paper prepared for ACIR's Conference on the Future of Federalism.

## 15 The 1980s: Monopoly or Competition?

Aaron Wildavsky, professor of political science at the University of California at Berkeley, describes a struggle which might take place in the 1980s between the forces of bureaucratic monopoly and the forces of competition arising from a greatly enlarged number of service providers. This piece is excerpted from a longer paper prepared for ACIR's Conference on the Future of Federalism.

## 19 A Fiscal Note: Erosion of Federal Aid to States, Localities

For the first time in our 16 years of record keeping, as of fiscal year 1981, the real purchasing power of federal aid to states and localities will have fallen for three successive years.

## 20 ACIR News

ACIR Adopts Recommendations on Payments-in-Lieu,  
Federal Role  
ACIR to Hold Conference on Future of Federalism  
GRS, Cigarette Bootlegging, Subjects of ACIR Testimony  
ACIR Assistant Director Receives ASPA Award  
ACIR Sponsors Workshop on Grant Consolidation  
Study of State-Local Revenue Sharing Available

## 23 And Briefly: Books

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is published four times a year  
by the Advisory Commission on  
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Washington, DC 20575.  
202-653-5536

# PERSPECTIVE

- 2 **View from the Commission**  
Colorado Senate President Fred Anderson describes the importance of state-local structural and functional developments and highlights ACIR's recent work in the area.
- 4 **Intergovernmental Focus**  
GRS, Other IGR Proposals Await Post-Election Session  
Labor-Style Negotiations Process Works for Three Cities  
Convocation on Federalism Gains Congressional Support
- 6 **The States and the System: Changes and Choices**  
ACIR Assistant Director David Walker describes the advances made by the states over the past 20 years in structural and functional reforms. He also points out the role Washington has played in both encouraging and impeding assumption of new state functional roles.
- 13 **Strengthening Local Government: A Call for Restructuring**  
While there has been considerable improvement in the nuts and bolts of local governance, there is still far to go according to ACIR Senior Analyst Albert Richter who highlights findings of recent ACIR work in the area.
- 20 **Substate Regionalism Matures Gradually**  
Bruce McDowell, Senior Analyst at ACIR, describes the progress made in the area of substate regionalism during the 1970s but notes that the situation that exists now is still far from perfect.
- 27 **ACIR News**  
Dallas County Commissioner Named to Advisory Commission  
ACIR calls for State-Local Reform, Decides Topics  
for Future Research  
ACIR to Sponsor Series of Grant Management Roundtables  
ACIR Staff to Monitor, Provide Assistance on Regional Basis  
Federal Income Tax Rated Worst in Poll on Governments, Taxes
- 29 **And Briefly: Books**
- 30 **A Fiscal Note: The End of a Fiscal Era—Uncle Sam Loses His Trump Cards**  
ACIR Assistant Director John Shannon describes what he calls the four trump cards and one finesse formerly available to the federal government—a combination which allowed Washington to repeatedly cut income taxes while more than doubling its real presence on the domestic expenditure front.
- 32 **ACIR Members**

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# Intergovernmental **PERSPECTIVE**

## **2 View from the Commission**

### **4 1980 Spotlights Rebalancing Federalism**

This overview of the events of 1980 also looks ahead to 1981 and includes a thumbnail description of ACIR's Agenda for the 1980s.

### **8 Washington Grapples with the Budget Crunch**

ACIR Federal Regulations Associate Michael Mitchell highlights the activity—and inactivity—in Washington as it impacts on the intergovernmental system.

### **19 Fiscal Issues Dominate as States Meet the Eighties**

In state houses across the country, elected officials struggled with the "era of limits." State-Local Relations Associate Jane Roberts describes how they fared.

### **30 And Briefly: Books**

During 1980, ACIR produced 18 publications. They are highlighted in this section.

### **32 ACIR Commission Members**

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# Intergovernmental **PERSPECTIVE**

## **2 View from the Commission**

Representative L.H. Fountain's opening remarks before recent hearings of the House Subcommittee on Intergovernmental Relations and Human Resources are highlighted.

## **4 Intergovernmental Focus**

Activity on Intergovernmental Issues Abounds in Congress and White House

Congress Must Be More Specific, Court Decides in **Pennhurst** Legislation Introduced Calling for Federal Payments-in-lieu-of Taxes

U.S. Supreme Court Declares First Use Tax Unconstitutional

## **8 Back in Vogue: The Politics of Block Grant Legislation**

After several years absence from the legislative racks, block grants are back in vogue. ACIR Senior Resident Timothy Conlan relates the experience with block grants accumulated in years past and discusses how this experience may shed some light on what can be expected as the Administration's new initiatives are considered by Congress.

## **18 Stage Two: Revenue Turnbacks**

ACIR Senior Analyst Al Davis and Assistant Director John Shannon describe and analyze the policy implications of a variety of possible approaches to revenue turnbacks, a second stage in President Reagan's decentralization plan.

## **26 A Fiscal Note**

Efforts to reduce federal spending impact directly on states and localities and the intergovernmental network. This piece discusses these cuts and the reactions of various public interest groups to them.

## **28 ACIR News**

James Watt Named ACIR Chairman, Six Other New Members Named

ACIR Reviews Upcoming Research, Delays Multijurisdictional Action

ACIR Testifies before Congress on Federal Role, Grant Reform Without Comment. . .

## **30 And Briefly: Books**

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# Intergovernmental **PERSPECTIVE**

## **2 View from the Commission**

Interior Secretary James Watt, ACIR's Chairman, gives his views on intergovernmental relations and the Commission's role.

## **4 Intergovernmental Focus**

Federalism Committee Meets, Discusses Impact of New Proposals  
Municipal Immunity, Severance Tax Subject of Recent Court Decisions

States, Localities Confront Bleak Fiscal Outlook

Budget Bill Creates New Programs, Including Several Block Grants

## **8 Washington's Regulation of States and Localities: Origins and Issues**

The growth of new forms of intergovernmental regulation accompanied the "explosion" of categorical grant programs. ACIR Senior Analyst David R. Beam discusses both older and newer forms of federal regulation impacting state and local governments—from direct orders and crosscutting requirements to crossover sanctions and partial preemption.

## **19 Federal Intergovernmental Regulation: Symbolic Politics in the New Congress**

Symbolism as well as substance has been the guiding force behind many federal regulatory thrusts in recent years. ACIR Senior Resident Timothy J. Conlan and Steven L. Abrams, presently with the City Solicitor's Office in Philadelphia, explain how regulations, beginning as powerful expressions of morality, became the law of the land.

## **27 ACIR News**

Gov. Alexander, Robert Hawkins Recently Named to Commission  
ACIR Assistant Director Testifies on Block Grant Issues, Policies  
ACIR Staff and Scholars Pick Similar Top IGR Events, Trends  
Commission to Meet in October

## **29 And Briefly: Books**

## **30 A Fiscal Note**

ACIR staff has now finished preliminary estimates of 1979 tax capacity among the states, believed to be a more complete measure of state tax wealth than per capita income.

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# Intergovernmental **PERSPECTIVE**

## **2 View from the Commission**

Richard S. Williamson, Assistant to President Reagan for Intergovernmental Affairs, gives an overview of recent judicial activism, highlighting in particular the courts' role in the area of municipal liability.

## **4 Intergovernmental Focus**

Federalism Takes Center Stage at Conferences, Hearings  
States Gear Up for Block Grants, New CDBG Responsibilities  
Seven Federalism Subcommittees Consider Timely IGR  
Issues

## **6 The Courts and Grant Reform: A Time for Action**

Boston College Law Professor George D. Brown discusses the growth of the federal grant litigation and its possible impacts. He concludes with a call for action, saying the issue is too important not to be addressed.

## **15 The Mandate, the Mayor, and the Menace of Liability**

Section 1983 of the Civil Rights Act of 1871 has recently spawned several court decisions with tremendous potential impact on state and local liability. ACIR Analyst Cynthia Cates Colella describes these cases and outlines possible approaches to "restoring some balance to Section 1983 litigation."

## **26 A Fiscal Note: Taxes and Inflation Take Their Toll**

ACIR staff compilations on combined federal, state, and local tax burden for families at various income levels highlight the increasing toll of taxes and inflation.

## **28 ACIR News**

ACIR Considers New Research, Wants More Work on  
Turnbacks  
President Reagan Names Six New Members to ACIR  
Payments in Lieu, Regulation Are Topics of Recent ACIR  
Testimony  
ACIR Independence is Highlighted at Senate Oversight  
Hearings  
ACIR Updates Count of Federal Categorical Grants

## **31 And Briefly: Books**

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# Intergovernmental PERSPECTIVE

## 2 View from the Commission

Tennessee Governor Lamar Alexander, Vice Chair of the Commission, highlights some of the key intergovernmental happenings during 1981 and introduces the Commission staff's annual assessment of federalism.

## 4 1981: A Threshold Year for Federalism

While clearly 1982 will be an important year for intergovernmental relationships, these events should not completely overshadow the developments of 1981. ACIR has called it a threshold year for federalism, for it may well be considered the beginning rather than the end of dramatic change.

## 5 The First Ten Months: Grant-in-Aid, Regulatory and Other Changes

Significant changes in the federal grant system, along with initiatives in the regulatory area, relevant court decisions, and other intergovernmental events emanating from Washington are discussed in this article by ACIR Assistant Director David Walker and staffers Al Richter and Cynthia Colella.

## 23 The New Formula for Fiscal Federalism: Austerity Equals Decentralization

Fiscal federalism, always a significant intergovernmental concern, became a top domestic agenda item in 1981, as the federal government joined states and localities in slowing down the growth of spending. This and other events and trends developing in the year are described here by ACIR Assistant Director John Shannon and Susannah Calkins.

## 30 "Rebalanced Federalism" The States' Role and Response

In 1981 the spotlight turned to the states as they prepared to assume additional responsibilities at the same time they were dealing with cuts in federal aid and many were facing immediate or future budgetary difficulties. State legislative-executive and state-local relationships in particular seemed to be in a period of flux in 1981. Assistant Director Carl Stenberg and Jean Lawson analyze these and other trends in this article.

## 42 And Briefly: Books

During 1981, ACIR published 18 reports, two "In Briefs," and three Information Bulletins. They are briefly summarized here.

## 44 ACIR Members

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# Intergovernmental PERSPECTIVE

## 2 View from the Commission

Senator Dave Durenberger gives his views on why it is important to restore balance to our federalist system and, in the process, target federal aid to those governments and people most in need.

## 4 Intergovernmental Focus

Negotiations, Blocks, Regulations Headline 1982 Federalism Agenda

Some Economic Development Tools May Be Curbed, Others Fare Better

Tough Budgetary Decisions Ahead for States and Local Governments

States, Localities Win Some, Lose Some in 1982 Supreme Court so far

## 9 Perspectives on a "New Day" for Federalism

The New Federalism proposals raise many issues basic to our tripartite system of government. ACIR Senior Analyst Albert J. Davis and ACIR Executive Director S. Kenneth Howard seek to provide a framework for appraising these issues while pointing up differences in three major proposals for resolving them.

## 22 Rich States—Poor States: Inequalities in Our Federal System

The difference between the rather extraordinary tax wealth of some states and the relatively anemic resources of others is an important and growing concern. Former ACIR Analyst Robert B. Lucke analyses measuring fiscal disparities and allocating federal aid to compensate for them.

## 29 ACIR News

S. Kenneth Howard Named ACIR Executive Director  
ACIR Urges Regulatory Reform, Supports Tax Capacity Measure  
Frank Tippet, ACIR's First Statistician, Retires  
ACIR Testifies on Federalism, Comments on Other Key Issues  
Other ACIR Responses to Congressional Hearings  
ACIR Say No to Expanding Its Membership  
ACIR Gears Up for Juvenile Justice Roundtables  
Perspective Editor Joins NGA

## 32 A Legal Opinion

Attorney Tom Madden analyses the Supreme Court's decision in *Community Communications Co. v. Boulder*.

## 34 And Briefly: Books

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# PERSPECTIVE

## 2 View from the Commission

Dr. Robert B. Hawkins, ACIR's new Chairman, explains his views on federal system reform, the role of the states, and ACIR's contribution to the national debate on federalism.

## 4 Intergovernmental Focus

New Federalism Proposals Still Tentative, State and Local Groups React

Three More State-Local Advisory Commissions Created

New Intergovernmental Consultation Order Issued;  
A-95 Rescinded

Administration Reports Progress On Regulatory Relief

Two New Intergovernmental Groups Being Formed

## 7 For the States, A Time of Testing

The major fiscal, regulatory and judicial "tests" facing the states today are examined within the context of the New Federalism. Based on the research of ACIR Consultant Mavis Mann Reeves, this article also looks at the states' traditional and current roles and evaluates what we think states should do.

## 14 Community Assistance: The States' Challenge

Among the many challenges facing states, community assistance ranks high on many a policymaker's list. ACIR State-Local Relations Associate Neal M. Cohen reports on state programs designed to assist distressed communities.

## 22 Municipal Revenue Behavior After Proposition 13

ACIR Senior Resident Robert J. Cline and Assistant Director John Shannon analyze the major trends in municipal finance following Proposition 13, particularly the dramatic rise in user fees.

## 29 ACIR News

President Names New ACIR Chairman, State Member

ACIR Adopts Regulatory Reform Agenda

Commission Testifies before Joint Economic Committee,  
Comments on Pension Legislation

December Commission Meeting Scheduled

## 30 A Fiscal Note

"Tax Pressure, Tax Increases, and Parity" are highlighted in a **fiscal note** by ACIR Analyst Michael Lawson and Assistant Director John Shannon.

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# PERSPECTIVE

## 2 View From the Commission

Representative L. H. Fountain, one of ACIR's founders in 1959 and a member until his retirement on January 3, 1983, gives his views on the Commission's past accomplishments and future challenges.

## 4 Federalism in 1982: Rhetoric v. Reality

ACIR Executive Director S. Kenneth Howard provides an overview of federalism in 1982, a year of debate over restructuring governmental roles and relationships.

## 6 Reagan's New Federalism: Design, Debate and Discord

The Reagan Administration's New Federalism initiative, block grant proposals, and urban policy are examined by ACIR Senior Resident Timothy Conlan and Assistant Director David Walker.

## 23 Federal and State-Local Spenders Go Their Separate Ways

Continuing increases in federal domestic spending, in sharp contrast to state and local expenditure deceleration, are discussed by ACIR Assistant Director John Shannon and Senior Analyst Susannah Calkins.

## 30 Coping with Cutbacks: States, Localities "Made Do" in 1982

States and local governments spent much of 1982 preoccupied with budgetary problems, but block grant implementation, judicial decisions, and the November elections were also pressing considerations. ACIR Assistant Director Carl Stenberg and Jerry Fensterman and Susan Szaniszlo, two research fellows, look at how states and localities fared in 1982.

## 46 ACIR News

ACIR Honors Representative L. H. Fountain  
Commission Takes Stand on State Taxation of Multinationals,  
Completes Regulatory Reform Agenda  
Frank Bane, ACIR's First Chairman, Dies at 89  
Three New Commission Members Named  
Charleston to Host Next ACIR Meeting

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*Illustrations were drawn by Doug Harman,  
City Manager of Alexandria, Virginia*

# Intergovernmental **PERSPECTIVE**

## **2 View from the Commission**

Mayor Margaret Hance gives her views on reducing the federal regulatory burden on states and localities and tells what the City of Phoenix is doing to achieve regulatory relief.

## **4 Intergovernmental Focus**

New Federalism Legislation Transmitted to Congress  
General Revenue Sharing Renewal  
House Subcommittee Marks Up GRS Legislation  
Debate Continues on Revised Intergovernmental Consultation Process  
Elections 1983: Focus on City Hall

## **7 From Law to Rule: Exploring the Maze of Intergovernmental Regulation**

Implementing major intergovernmental regulatory programs has been a difficult task. ACIR Senior Analyst David Beam analyzes the obstacles to their effective operation.

## **23 The Courts and the Administration: Marching to Different Drummers**

As the Administration tries to lighten the regulatory burden on states and localities, federal courts, by and large, are extending and intensifying their obligations. Attorneys Thomas Madden and David Remes discuss recent federal court cases that highlight this trend.

## **30 A Special Report**

"Charleston Program Highlights State-Local Relations," by ACIR State-Local Relations Associate Jane Roberts, is a report on the issues raised at ACIR's March hearing and meeting.

## **33 ACIR News**

ACIR Reaffirms Support for General Revenue Sharing  
New ACIR Members Named  
Next ACIR Meeting June 16-17

## **34 A Fiscal Note**

ACIR Analyst Michael Lawson highlights "Leading Intergovernmental Fiscal Indicators."

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# PERSPECTIVE

## 2 View from the Commission

Governor Babbitt (AZ) provides an overview of the ACIR roundtable discussion on constitutional change and the challenge of rebalancing federalism.

## 4 Intergovernmental Focus

House Passes General Revenue Sharing, Considers Formula Changes  
Senate GRS Measure Contains Formula Change  
Legislation Introduced on Municipal Antitrust Immunity  
New List of Metropolitan Areas Issued  
State-Local Report

## 8 The Constitution, Politics, and Federalism

ACIR convened a roundtable discussion on constitutional change and federalism reform. An edited transcript of the day's dialogue is presented with accompanying explanations. Major areas covered include:

## 9 Federalism Reform: Origins and Issues

## 17 The Political Dimension

## 20 Reform: A Matter of Strategy

## 23 The Re-Emergence of Constraints: Fiscal Pressure

## 26 ACIR News

Commission Urges Local Jail Reform  
President Names New ACIR Members  
Commission Meeting to Highlight Role of the States  
Stenberg to Leave ACIR

## 28 A Fiscal Note

New Measure of Metropolitan Fiscal Capacity Shows Regional Shifts

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# PERSPECTIVE

## 2 View From the Commission

Lee Verstandig, President Reagan's Assistant for Intergovernmental Affairs, discusses changes in intergovernmental relations over the past three years.

## 4 Intergovernmental Focus

General Revenue Sharing Bill Sent to Conference Committee  
Regulatory Reform Hearings Planned  
Supreme Court Advocacy Conference Held  
Opportunity for Intergovernmental Consultation Given to States  
Block Grant Watch

## 5 Boulder and NLC Revisited: An Introduction

Perspective Editor Stephanie Becker compares and contrasts the two Court decisions that are the basis for the major articles in this issue.

## 7 Antitrust and Local Governments

A recent Supreme Court case increased the exposure of local governments to federal antitrust law. ACIR State-Local Relations Associate Jerry Fensterman explores the impact of the Court's ruling and alternative legislative solutions.

## 17 Mass Transit and the Tenth Amendment

ACIR Senior Analyst Cynthia Colella examines the issues involved in a pending Supreme Court case. The Court is being asked whether mass transit, now a predominantly public service, is a "traditional" local government function and therefore exempt from federal wage and hour laws.

## 25 A Special Report

This report highlights major issues raised at the September 22, 1983 ACIR hearing, "The Future of States in the Federal System."

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202-653-5538

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*The Chairman of the Advisory  
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Intergovernmental

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*Intergovernmental Perspective*  
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202-653-5540

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(ISSN 0362-8507) is published  
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*Intergovernmental Perspective*  
(ISSN 0362-8507) is published  
four times a year by the  
U.S. Advisory Commission  
on Intergovernmental Relations  
Washington, DC 20575  
(202) 653-5540

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*The Chairman of the Advisory Commission on Intergovernmental Relations has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Commission. Use of funds for printing this document has been approved by the Director of the Office of Management and Budget.*