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ACIR:
THE YEAR IN REVIEW
35th Annual Report
January 1994

Advisory
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1993 HIGHLIGHTS

In accepting the Chairmanship of the Advisory Commission on Intergovernmental Relations on October 20, 1993, Governor William F. Winter stated his "conviction that the Commission has an important, indeed, a unique role in making our system of government work better. . . . I regard it as a vital element in our political process." In addition to the chairman, the President appointed ten other members of the Commission, and the Speaker of the House of Representatives filled the vacant congressional seat.

President Bill Clinton met with the Commission on December 1 and personally expressed his support. He said, "I very much believe in the potential of [ACIR], both because of all the individuals on it and because of the way it's constituted, with representatives from the federal, state, and local governments, and with both Democrats and Republicans here."

The President continued:

One of the biggest problems . . . in this country today is that everybody knows that there are a lot of things that the government has to be involved in at some level. But there is a great skepticism about the ability of government to do its job, particularly here in Washington—a skepticism not without foundation, I might add. . . .

Because I served a dozen years as a governor and worked on these federalism issues from another perspective . . . I think I've got a pretty good sense about . . . the potential . . . of [ACIR] to try to help us in our efforts to redefine what we should be doing here in Washington, and how we can be working with [state and local governments] better. . . . I'm very serious about these issues, and . . . I want to pursue them vigorously, thoroughly, and consistently, and with the appropriate level of visibility.

In closing, President Clinton said, "I want to work with you. I want to help to make sure that you have both consistent support and the appropriate level of visibility. So please send a message out to the country that we are trying to work through these things and give the American people a government that they can not only believe in, but also trust."

Governor Winter assured the President that "We accept your challenge, and we shall do our very best to live up to your expectations. We'll be calling on you to continue to lend your support to our efforts, and

we invite your suggestions, your ideas. Hopefully, out of this process, we can strengthen the government of this country at all levels."

Writing in *Intergovernmental Perspective*, the Chairman points out that:

No other agency is officially charged with the duty of bringing to the table leaders from our federal, state, and local governments . . . not . . . just to provide a forum for discussing public policies and programs . . . [but] as an instrument of public policy . . . empowered to "recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government." That is a considerable grant of authority. . . .

ACIR . . . [brings] to the process a broader and more coordinated view of policies than is possible through representatives of particular units or levels of government acting alone. To perform this task properly will require the building of a credibility and effectiveness based on the continuing high quality of the Commission's research, a clear vision of how our federal system ought to perform, and a willingness to expend the energy and develop the relationships necessary to advance the policies best calculated to serve the nation and its constituent communities.

There is a perception among many of our citizens that too many units of government seem to operate totally independent of each other with an indifference to the impact of their policies on others. This is particularly reflected in the disenchantment that results from the handing down of various mandates from higher levels of government . . . often accompanied by requirements for increased spending but unaccompanied by sources of funding.

There is also the unhappiness brought about by the insensitive and inflexible cookie-cutter prescriptions which are applied uniformly to all states and political units and which preempt and negate the resourcefulness of local leadership. There is concern about too much concentration of authority at the highest levels but, at the same time, too much duplication and too many gatekeepers at the lower levels.

The value of and need for the Commission is widely recognized. Vice President Al Gore's National Performance Review (NPR) report specifically recommended that the Commission be strengthened to assume greater 'responsibility for continuous improvement in federal, state, and local partnership and intergovernmental service delivery.'

Despite appropriations difficulties in the Congress, which reduced the Commission's budget by about 45 percent, decreased staff from 18 to 12 positions, cut office space 40 percent, and dismantled ACIR's library, the Commission met twice, adopted two new policy reports and a new information report, and published 14 reports plus 3 issues of its magazine, *Intergovernmental Perspective*.

These activities continued ACIR's strong 34-year record of promoting dialogue about ways of improving federal-state-local relationships. The Commission's achievements of 1993 are highlighted under the following five headings:

- ◆ Federal Grants and Regulations
 - ◆ Intergovernmental Policies and Programs
 - ◆ Balancing Public Finances
 - ◆ State and Local Governments
 - ◆ Promoting Federal Democracy Abroad
- **Federal Grants and Regulations**
 - ACIR assisted the staff of Vice-President Al Gore's National Performance Review.
 - ACIR updated its earlier research on the effects of federal regulations on state and local governments, finding that neither congressional fiscal notes, nor the Federalism Executive Order, nor court action kept the number and burdens of these regulations from increasing.
 - ACIR participated in the first quarterly Conference on Regulations Affecting State, Local, and Tribal Governments, convened by the U.S. Office of Management and Budget pursuant to Executive Order 12866.
 - ACIR reviewed the "fragmentation" of the federal aid system, finding an all-time high number of grants in 1992, a larger concentration of the dollars in a few programs, and a large increase in the number of small programs.

- ACIR found even more federal grant programs available to state and local governments in FY 1993.
 - ACIR drafted a report on the means of limiting the extra costs that the federal government imposes on state and local governments.
 - ACIR drafted a report on the changing nature and roles of regional organizations since 1980.
 - ACIR assisted the U.S. Army Corps of Engineers in developing intergovernmental elements of the national drought plan.
 - ACIR prepared eight case studies for the initial phase of a report to the U.S. Department of Education on the impact of federal mandates on effective K-12 public school systems.
- **Intergovernmental Policies and Programs**
 - ACIR convened over 30 representatives of state and local governments who made recommendations to the federal government for integrating federal, state, and local geographic data systems, to save money for all governments while greatly expanding the policymaking and operational data available to them.
 - ACIR convened six task forces of federal, state, local, and private interests to develop an interagency strategy for federal infrastructure investment. The results were refined at a national conference in July and subsequently published by ACIR. The strategy recommends presidential and congressional leadership to ensure that future public works dollars will be spent wisely, and it spells out specific actions to be taken by federal agencies and their state, local, and private partners to achieve this goal.
 - ACIR adopted a new report on child care, stressing the need to coordinate federal programs and make them more sensitive to state and local needs.
 - ACIR published a report on the changing role of the National Guard, stressing the need to give governors a larger say in federal planning for the size and structure of their units.
 - ACIR published a report and a guidebook designed to enhance the role of general government elected officials in the criminal justice system.

- ACIR published its 22nd annual public opinion survey on government and taxes, in which it found:
 - * Americans gave the highest marks to local governments for overall performance, for spending tax money wisely, and for getting most for their money;
 - * Americans thought that central cities themselves have the responsibility for solving their own budget problems;
 - * States should use the property tax to help equalize school district spending;
 - * States should initiate a Constitutional amendment to require a federal balanced budget; and
 - * Americans have greater confidence in the private sector, than in government, to administer health care reforms.

- **Balancing Public Finances**

- ACIR's widely used two-volume compendium, *Significant Features of Fiscal Federalism*, was published once again including new data on federal, state, and local revenues and expenditures, budget processes and tax rates, public employment, and public debt.
- ACIR published a revision of its regularly updated report on state revenue capacity and effort.
- A series of articles in ACIR's *Intergovernmental Perspective* magazine detailed the interplay of technological changes and local government property tax administration.

- **State and Local Governments**

- ACIR updated a 1978 review of state laws on the structures, functions, and administration of local government.
- ACIR published a short report comparing the findings of two previous ACIR case studies of the nature of local government organization in metropolitan areas.
- ACIR published a new study of the legal basis for home rule in the states, calling for increased attention to establishing certain spheres of local immunity from state intrusion into local affairs.

- ACIR issued a revised and expanded directory of state ACIRs and other intergovernmental contacts.

- **Promoting Federal Democracy Abroad**
 - ACIR continued to provide an ever increasing number of foreign visitors with an instructive view of American federalism.
 - ACIR hosted a workshop on federalism with the American Bar Association for the Russian Constitutional Commission; developed a proposal for federal funding of Russian interns, who will be placed in several state ACIRs; and assisted in drafting the new Russian Constitution.
 - ACIR provided technical assistance to Nigeria's new National Council on Inter-Governmental Relations.
 - ACIR provided faculty for the 1993 Salzburg, Austria, Seminar on Federalism, and participated in a conference in Australia on environmental protection in federal systems.

- **New Directions**
 - As 1993 came to a close, Chairman Winter appointed two new committees: one to establish a new work program and the other to search for a new executive director.

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1993 Annual Report

GENERAL INFORMATION

The U.S. Advisory Commission on Intergovernmental Relations (ACIR) plays a unique role in monitoring the federal system, identifying problems and highlighting emerging issues, and in regularly convening officials of the federal, state, and local governments to consider means of making the system work better. ACIR has continued this role for over three decades.

The Commission works closely with federal, state, and local government officials to identify ways in which it can help the President and Congress improve the effectiveness of the federal system, develop solutions to intergovernmental problems, and bring about a better balance between the states and the federal government.

ACIR continues also to highlight the growing importance of state-local relations and works cooperatively with its 25 state-ACIR counterparts. More states are considering the establishment of such intergovernmental bodies.

This annual report describes how the Commission is constituted and conducts its research; how it advises on policy matters; and how it has disseminated information during 1993.

Budget

For FY 1994, ACIR funding for \$1.8 million was approved in the initial appropriations round. In June, however, the House voted to eliminate funding for the Commission. The Senate reinstated funding but only at \$1 million, a cut of nearly 45 percent from FY 1993. The FY 1994 appropriation was passed by the Congress on October 26, 1993, and signed by the President on October 28, 1993, necessitating a reduction in staff by 7 positions, vacating 40 percent of the Commission's office space, and closing its library.

ACIR continued to rely on outside revenue sources during calendar year 1993. These included state contributions, research contracts with federal agencies, foundation grants, publication sales, and honoraria. Once again, ACIR received substantial financial support from the states in FY 1993, although the number of states contributing and the dollar amount decreased, in part owing to state fiscal pressures. For the fifth year in a row, some of these funds went to meet essential operating expenses.

ACIR: Purpose and Composition

- **Purpose.** ACIR is a permanent, independent, bipartisan commission, established by P.L. 86-380 in September 1959, and amended in November 1966 under P.L. 89-733. The statutory purposes of the Commission are to:
 - (1) Bring together representatives of the federal, state, and local governments for the consideration of common problems;
 - (2) Provide a forum for discussing the administration and coordination of federal grant and other programs requiring intergovernmental cooperation;
 - (3) Give critical attention to the conditions and controls involved in the administration of federal grant programs;
 - (4) Make available technical assistance to the executive and legislative branches of the federal government in the review of proposed legislation to determine its overall effect on the federal system;
 - (5) Encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation;
 - (6) Recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities and revenues among the several levels of government; and
 - (7) Recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

- **Composition.** The Commission is composed of 26 members:
 - (1) *Three private citizens*, appointed by the President without regard to political affiliation;
 - (2) *Three members of the Executive Branch*, appointed by the President without regard to political affiliation;
 - (3) *Three members of the United States Senate*, appointed by the presiding officer of the Senate on a bipartisan basis;
 - (4) *Three members of the House of Representatives*, appointed by the Speaker of the House on a bipartisan basis;
 - (5) *Four Governors of states*, appointed by the President on a bipartisan basis from nominations by the National Governors

Association;

- (6) *Three state legislators*, appointed by the President on a bipartisan basis from nominations by the National Conference of State Legislatures and Council of State Governments;
- (7) *Three elected county officials*, appointed by the President on a bipartisan basis from nominations by the National Association of Counties; and
- (8) *Four city mayors*, appointed by the President on a bipartisan basis from nominations by the National League of Cities and U.S. Conference of Mayors.

The members of the Commission serve two-year terms and may be reappointed. The Chairman and Vice-chairman of the Commission are designated by the President from among the membership. The Commission usually meets quarterly, but may meet more or less frequently as necessary. See Appendix A for a list of members, and Appendix B for a list of the Commission's 1993 meetings.

ACIR: Operating Procedures

Because of its broad representation, the Commission is able to develop consistent, long-term analyses and recommendations that reflect the diversity of the federal system as well as points of similarity and consensus. The principal work of the Commission flows through three stages:

- Research undertaken at the direction of the Commission;
- Policy recommendations made by the Commission; and
- Communication of these policy recommendations to the relevant federal, state, and local officials, as well as to the public.

The Commission determines its own agenda, basing its choices on:

- The members' wide-ranging experiences, observations, and contacts within the federal system;
 - Suggestions from public officials, citizen groups, and others; and
 - Staff evaluations of current and latent issues in intergovernmental relations.
- Occasionally, the Congress, the President, federal agencies, and state and local governments request that ACIR prepare specific studies. Three studies in 1993 were financed in part by other federal agencies.

Once a topic is selected for research, the staff and consultants, if any, gather information by a variety of methods. These include a review of literature on the subject; consultations with relevant public officials and other experts; holding hearings, if necessary; and carrying out field studies. The purpose of this research is to provide a solid foundation for Commission policy recommendations.

The staff conducts a "thinkers' session" at the beginning of each research project to help define the project's scope and approach and to identify other relevant research on the topic. Near the completion of a project, a "critics' session" is convened to critique the draft report and any policy recommendations prepared for Commission consideration. Participants in these sessions usually include congressional staff members; representatives of appropriate government agencies and public interest groups; members of the academic community; specialists in the substantive area of the report; and representatives of civic, labor, research, and business organizations. In 1993, the Commission held two thinkers' sessions and three critics' sessions.

Background information and findings are presented to the Commission, along with an appropriate range of policy alternatives. The Commission debates reports in public session and votes on policy recommendations. Subsequently, the reports and recommendations are published and disseminated.

The Commission also issues many information reports that do not contain policy recommendations, an annual public opinion survey, and occasional staff reports that do not require Commission approval.

In addition to preparing and publishing reports, the Commission holds public hearings, organizes conferences on key intergovernmental issues, provides speakers for public and academic meetings, and supplies direct assistance and information to individual agencies, public officials, and citizens. In 1993, for example, a two-day national conference and 22 roundtable discussions were held in Washington, D.C., as part of the federal infrastructure strategy project. Staff members spoke at more than 50 meetings and had articles appearing in a dozen journals in 1993 (see Appendix E).

The ACIR Work Program

ACIR, even under difficult fiscal conditions this year, generated timely policy and information reports and recommendations that address the major intergovernmental challenges facing the United States. During 1993, the Commission met twice, in June and December, to pursue federal-state-local dialogues and make recommendations on:

- **Federal Grants and Regulations**
- **Intergovernmental Policies and Programs**
- **Balancing Public Finances**
- **State and Local Governments, and**
- **Promoting Federal Democracy Abroad**

The Commission also published four policy reports, five information reports, one annual public opinion poll survey, four staff reports, and three issues of its quarterly magazine, *Intergovernmental Perspective*. One policy report and one information report were adopted and will be published early in 1994 (see Appendix D).

As the year ended, several studies remained under way, and a new work program was being developed by an agenda committee, appointed by Chairman William F. Winter.

A summary of the 1993 research program follows.

Federal Grants and Regulations

Federal Regulation of State and Local Governments

In *Federal Regulation of State and Local Governments: The Mixed Record of the 1980s*, ACIR assessed the effects of federal efforts at regulatory relief during the 1980s, particularly requirements for congressional fiscal notes to legislation that would have a substantial impact on state and local governments, and the Federalism Executive Order (12612). Despite these efforts to restrain the impulse to regulate state and local governments, ACIR found that administrative rules and regulations continued to increase during the 1980s in 18 of the 36 mandates included in ACIR's earlier report, *Regulatory Federalism: Policy, Process, Impact, and Reform* (1984). The Executive Order on federalism (12612) was not consistently implemented; the Congress continued to enact statutes imposing regulations on states and local governments (27 statutes for 1981-1990, compared with 22 for 1971-1980); and, the U.S. Supreme Court retreated from its *National League of Cities v. Usury* (1976) decision, which restored the Tenth Amendment as a check on federal action, in a new landmark decision, *Garcia v. San Antonio Metropolitan Transit Authority* (1985), which held that the states could not expect the Court to protect their powers under the Tenth Amendment.

Conference on Intergovernmental Regulation

ACIR participated in the first conference on intergovernmental regulation convened by OMB's Office of Information and Regulatory Affairs (OIRA) on December 6, 1993, pursuant to the requirements of Executive Order 12866 on "Regulatory Planning and Review."

Federal Grant Programs in 1992

This report, *Federal Grant Programs in Fiscal Year 1992: Their Numbers, Sizes, and Fragmentation Indices in Historical Perspective*, updates ACIR's 1981 "fragmentation" index of the distribution of federal domestic grants-in-aid. After a dip in number during the mid-1980s, there were more categorical grant programs (553) in 1992 than ever before. Although the number of grants has grown, the average dollar amount per program has declined, thereby increasing the degree of fragmentation, that is, the ratio between the number of programs and their average dollar amounts.

Characteristics of Federal Grant-in-Aid Programs to State and Local Governments

Biennially, the Commission publishes, *Characteristics of Federal Grant-in-Aid Programs to State and Local Governments: Grants Funded FY 1993* a compendium of federal grants actually funded. The present edition reports on FY 1993. In summary, the Commission found one more block grant than two years ago, making a total of 15. Nevertheless, most federal grant programs (a total of 578 programs) and most of the money (\$182.2 billion) remain narrowly categorized and constrained in their authorization.

Federally Induced Costs

This study, which classifies the ways in which federal activities increase the cost of doing business to state and local governments, will go to the Commission for initial consideration in February 1994. It describes attempts to estimate the costs, and the mechanisms that the federal government has used to reimburse state and local governments. The principal ways in which federally induced costs occur are: direct order mandates; grant conditions; federal preemptive acts; federal tax policies; and the incidental consequences of general federal policymaking. These costs can occur from legislative, administrative, or judicial actions.

National Drought Plan

Research on the institutional, political decisionmaking, and public participation aspects of drought planning has been completed and transmitted to the U.S. Army Corps of Engineers, in accordance with an interagency agreement. The Corps will publish a final report. No separate report by ACIR is anticipated from this contract.

Federal Mandate-Related Impediments to the Development of Academically Effective K-12 Public Schools

With support from the U.S. Department of Education, ACIR contracted for case studies of public school systems in eight states to identify the extent to which federal rules and regulations may be impeding K-12 classroom instruction. Preliminary findings indicate that federal requirements tend to introduce micromanagement, red tape, and a one-size-fits-all mentality into state and local school administration. The federal conditions, under which local school districts must operate, get in the way of effective teaching by using up valuable resources for administrative functions. Moreover, the requirements often do not achieve their intended goals.

An interim report was completed in September 1993 and presented to the U.S. Department of Education. Additional work remains to analyze the results of the case studies. After this additional work, a final report will be published.

Capital Budgeting

Representatives Bob Wise (D-VA) and Bill Clinger (R-PA) requested that ACIR conduct a mini-conference on federal capital budgeting. They were particularly impressed with the work that ACIR has done in the federal infrastructure strategy field, which has included work on capital budgeting. The conference will be held in early March 1994, in cooperation with the Corps of Engineers, the National Academy of Public Administration, and the Rebuild America Coalition. ACIR will act as a convener of the conference and coordinator of events.

Intergovernmental Policies and Programs

Geographic Information Systems

With funding from the U.S. Geological Survey, ACIR convened four meetings of over 30 representatives of state and local governments to work out a strategy for involving state and local governments in the work of the Federal Geographic Data Committee (FGDC), which represents 14 federal agencies. A statement regarding the strategy developed through the ACIR consultations, including recommendations, was published in the Summer 1993 issue of *Intergovernmental Perspective*.

Federal Infrastructure Strategy

ACIR's three-year program of assistance to the U.S. Army Corps of Engineers to develop a federal interagency infrastructure strategy yielded a final report, *High Performance Public Works: A New Federal Infrastructure Investment Strategy for America*. The report was the culmination of work by six task forces of federal, state, local, and private sector representatives over a six month period and ending with a two-day national conference held in Washington in July 1993.

The object of this cooperative effort was to recommend procedures to ensure that direct federal investments in infrastructure and federally aided and regulated investments by state and local governments, are of the highest quality, based on performance planning and measurements, cost-benefit analyses, and cost-effective maintenance. Also, recommendations are made to ensure that federal regulations are based on sound scientific principles and research and are

equitable and affordable to all governments designated to be responsible for their implementation.

The President, Congress, and federal agencies are asked to take specific steps to reorganize and integrate all the elements of infrastructure investment in order to provide both regulatory relief to state and local governments and sound infrastructure investment decisionmaking.

Child Care in the Federal System

The Commission studied the growing role of the federal, state, and local governments in providing and regulating child care. The many regulations and demands placed on providers and users of child care by different governments were found to create inconsistencies and conflicts. The Commission adopted recommendations calling for better coordination of the requirements of federal and state programs, a concerted effort to reduce the regulatory burden on family day care providers, and incentives to encourage the provision of more community-based child care services. This report will be published early in 1994.

National Guard

In the report, *National Guard: Defending the Nation and the States*, ACIR concentrated on the role of the Guard as a dual state and national institution, performing civil and military functions under the control of the governors and the President. Attention was much needed, the report found, to giving the states greater input into the Pentagon's planning process—a fact of special importance in the next few years as the total defense forces of the nation are reduced, because the National Guard is a large part of that force.

The Role of General Government Elected Officials in Criminal Justice

The Commission published a broad-ranging report, *The Role of General Government Elected Officials in Criminal Justice*. Elected officials are a crucial part of the criminal justice system. They establish what are crimes and their punishment. They fund criminal and civil law enforcement. Also, they fund judicial and corrections institutions, that must respond to their original policy decisions. Thus, they are central to keeping these three elements of the system balanced. Although the states, counties, and cities are the main players in the system, the federal government's influence is growing stronger. Also, from an intergovernmental perspective, there is a greater realization that the lack of coordination is allowing the system to get out of balance. Elected officials need to be in the forefront of reviewing the whole system.

The Commission also published a companion question-and-answer reference, *Guide to the Criminal Justice System for General Government Elected Officials*. It concentrates on the roles of state and local government officials (the federal justice system accounts only for about 6 percent of criminal cases), after the commission of a crime. It focuses on concerns that have major cost impacts across agencies and governments and over time. ACIR devoted the Spring 1993 issue of *Intergovernmental Perspective* to the criminal justice system.

1993 Annual Opinion Survey Poll

Every year, the Commission undertakes a poll on the changing public attitudes to government and taxes. This year the Commission asked 19 questions, three were trend questions. Americans clearly indicated that the federal income tax was the worst tax, or least fair. Local governments were seen as giving citizens the most for taxpayer money and as spending tax dollars most wisely. Americans thought that central cities were most responsible for finding the financial resources to solve their own budget problems. States should use some property tax revenues from upper income school districts to pay for public education in lower income school districts. States, also, should require a balanced budget amendment to the U.S. Constitution—Americans did not believe that the President and Congress can resolve the federal budget problems themselves. Americans believed that the private sector, not government (whether federal or state), should administer any new health care system. Finally, Americans graded the performance of local governments best in all three functions of government—legislative, executive, and judicial.

Intermodal Surface Transportation Efficiency Act of 1991

The Commission has followed closely the implementation of the *Intermodal Surface Transportation Efficiency Act of 1991* (ISTEA). Also, a roundtable discussion of initial implementation steps being taken in the San Francisco Bay area, held at the Commission's September 1992 meeting in San Francisco, was summarized in the Winter 1993 issue of *Intergovernmental Perspective*. The Commission has received funding from the Federal Highway Administration to assess the capability of the officially designated Metropolitan Planning Organizations (MPOs) to perform the responsibilities assigned to them under ISTEA. This project will be completed in 1994.

Areawide Organizations

The draft report on areawide organizations will be ready for Commission consideration in 1994. Concentrating on multi-jurisdictional organizations, this study updates the work done by ACIR in the early 1970s, in 1978, and in 1982. Major changes occurred for these agencies during the 1980s. First, federal

financial support, which had been a major motivating factor in creating these organizations, declined. State support remained the same, strong in some states and weak in others. Local government support increased. About 80 percent of these organizations continue to exist, but they are smaller in both budget and staff, and their programs have shifted from planning to the provision of services.

Public Works Perspectives

This book of readings based on papers submitted to the National Council on Public Works Improvement will be published in 1994. When the Council went out of business, ACIR became the repository for its reports. The purpose of this publication is to make some of the most useful of the previously unpublished works more readily available to the professional community.

Balancing Public Finances

Fiscal Federalism

The Commission published its annual two-volume *Significant Features of Fiscal Federalism*. This compendium of public finance data is ACIR's best seller. It provides information about federal and state budget processes and tax rates; current and historical data on federal, state, and local revenues and expenditures; state rankings for state-local revenues and expenditures; and fiscal profiles. The revenue and expenditure data are available also on computer disc.

Revenue Diversification

The Commission's series of studies on local revenue diversification continued in 1993 with the approval of a report on state and local taxes levied on travel and tourism. Revenues from taxes on travel and tourism have been growing in recent years, as have the number of state and local governments imposing or increasing taxes on them. ACIR's report will be important in closing the information gap about these types of taxes.

Representative Tax/Revenue System

With *RTS 1991: State Revenue Capacity and Effort*, ACIR continued its tradition of providing information on the relative economic well-being and fiscal performance of the states. ACIR developed the representative tax system (RTS) and the representative revenue system (RRS) as a means of improving on the available measures of state revenue capacity and effort. These measures show state capacity to collect tax and non-tax revenue.

Property Tax

Despite taxpayer revolts and limitations on taxing and spending, the property tax remains the source for three out of every four local government tax dollars. ACIR devoted the Summer 1993 issue of its quarterly magazine, *Intergovernmental Perspective*, to property tax trends, including computer assisted mass appraisals (CAMA), geographic information systems (GIS), court rulings on financing primary and secondary education, the impact of the current economic cycle on local property values and increased local tax burdens, and the implications of court challenges to California's Proposition 13.

In its 1993 public opinion poll, ACIR asked Americans whether or not they would approve the transfer of local property tax moneys from upper income school districts to lower income school districts to equalize state spending on public schools. A majority of Americans favored this redistribution idea.

State and Local Governments

State Laws Governing Local Government Structure and Administration

State Laws Governing Local Government Structure and Administration is an update of a 1978 compendium of state laws that provide for the structure, functions, and administration of local government. On average, states enacted 16 new laws in these subject areas, most frequently to tighten restrictions on financial management and auditing, establish budget procedures, and set purchasing standards. Only in election laws did the states repeal more provisions than they enacted.

Of the 201 specific types listed in the report, only for voter registration procedures and qualifications for local elections do *all* 50 states impose either a constitutional or statutory requirement on local governments.

Metropolitan Organization: Comparison of the Allegheny and St. Louis Counties Case Studies

ACIR previously published two case studies of service delivery in "fragmented" metropolitan counties—St. Louis City and County, Missouri (1987), and Allegheny County, Pennsylvania (1992). In 1993, ACIR published *Metropolitan Organization: A Comparison of the Allegheny and St. Louis Case Studies*. This new report shows that, in both cases, the many small local governments in the area interact with each other and the private sector in interesting and sometimes novel ways to adapt effectively and economically to the residents' demands for police, fire, street, and school services.

Local Government Autonomy

In *Local Government Autonomy: Needs for State Constitutional, Statutory and Judicial Clarification*, ACIR looked at state constitutional and statutory provisions for local 'home rule' and state supreme court cases adjudicating state-local issues. ACIR found that the concept of home rule runs deep in the American political tradition and many states give broad powers to local governments. Nevertheless, the states often do not provide immunity from state intervention or preemption. The Commission recommended that states should define the specifics of local autonomy more clearly and give thought to ensuring and strengthening local government immunity from state interference in local issues.

State ACIRs: A Directory of Intergovernmental Contacts

One essential task of the Commission is to promote creation of and provide support to state ACIRs. There is a strong interchange of information and ideas among the 25 operating state ACIRs and the Commission. In 1993, the Commission updated and expanded its *Directory of Intergovernmental Contacts*. Now, it includes sections on intergovernmental contacts in federal departments and agencies and in many of the national associations representing state and local governments. There is also a section on states that have had an ACIR or are considering establishing such an organization.

Promoting Federal Democracy Abroad

Foreign Visitors

ACIR continued regular briefings for large numbers of foreign visitors seeking to learn about the American federal system of government—so many, in fact, that it has become necessary to limit the time allotted and number attending. These visitors came from all parts of the globe, including Angola, Argentina, Armenia, Bangladesh, Belgium, Bhutan, Brazil, Canada, Chile, China, Colombia, Estonia, European Community, Finland, France, Germany, Georgia, Hungary, India, Israel, Italy, Japan, Mexico, Moldavia, Mozambique, Netherlands, Nigeria, Poland, Portugal, Romania, Russia, South Africa, South Korea, Spain, Switzerland, Trinidad and Tobago, Turkey, and United Kingdom.

Federalism Workshop

In January 1993, the Commission hosted a two-day workshop on federalism in cooperation with the American Bar Association for the chairman and other leading members of Russia's Constitutional Commission. At the end of

the year, ACIR staff also provided extensive commentary about issues of federalism and regional and local government on drafts of and the final approved Constitution of the Russian Federation. The U.S. ACIR also recruited state ACIR participation in funding proposals to the United States Information Agency to host regional and local officials from the republics of the former Soviet Union for internships in U.S. state and local government.

Technical Assistance

During the year, the Commission provided technical assistance to Nigeria's new National Council on Inter-Governmental Relations, which is patterned after the U.S. ACIR. The Council has thus far survived the military coup, and we are hopeful that it can help foster progress toward federal democracy in Nigeria.

Miscellaneous

ACIR provided a faculty member for the 1993 Salzburg Seminar on federalism for participants from western and eastern Europe, Africa, and the Middle East. It participated in a comparative examination of environmental protection in federal systems hosted by the Federalism Research Centre at the Australian National University. Finally, it continued to cooperate with the Japan Local Government Center on various projects, including hosting an intern from Japan.

OUTSIDE INCOME

In addition to its Congressional appropriations, ACIR is making every effort to increase its revenue from state contributions, publication sales, and contract research.

State Contributions

ACIR has requested contributions from the states since the early 1970s and is permitted to keep the revenue in a special account. Annual requests are based on state population and range from \$5,000 to \$13,000. During FY 1993, ACIR received \$153,034 from 24 states. A monitoring system tracks the inclusion of ACIR's contribution requests in state executive budgets and legislative appropriation bills, identifies key state contacts during the state budget and appropriation processes, and coordinates the issuance of ACIR invoices with state payment cycles.

Publication Sales

ACIR continues to generate income from publication sales. In FY 1993, income was \$58,095 from publications and \$4,450 from finance disks. Several methods are used to promote sales of ACIR publications and diskettes:

- Catalogues, issued twice a year, list all available ACIR publications and discs. These catalogues are used both for displays at meetings and for general mailings. A copy also is included with every publication order.
- Brochures on individual products are mailed to those with an active interest in the product.
- Special "personalized" mailings are sent periodically to selected groups of individuals who may be a potential market for some of the publications.
- Constituent mailings announce publications to media outlets and periodicals of special organizations. In addition to these, the mailings go to state ACIRs, state municipal leagues and association of counties, state legislative reference libraries, contributors, and others with continuing interest in the work of ACIR.
- ACIR's quarterly magazine, *Intergovernmental Perspective*, which is sent free to approximately 17,000 individuals, promotes various publications, both in advertisements and feature articles.

- ACIR displays its products at meetings and conferences. Often, this takes the form of full displays of targeted publications.
- Press releases announce ACIR recommendations and the publication of selected reports. Press briefings may be held for major policy reports.
- Complimentary copies of ACIR publications are sent to periodicals for review.
- ACIR offers a subscription package, currently at \$100 per year, that includes all publications.
- The Commission is active with a variety of groups across the country through speaking engagements that promote ACIR and its publications. Occasionally, these bring in honoraria to supplement the ACIR budget (see Appendix E).

Contract Research

Contract research is discussed throughout this report and, therefore, will be summarized briefly.

- \$390,000 from the U.S. Army Corps of Engineers to arrange and conduct roundtable task forces on federal infrastructure strategy
- \$50,000 from the U.S. Army Corps of Engineers for research on decisionmaking in regional drought preparedness studies
- \$50,000 from the U.S. Department of Education to conduct eight case studies on the impact of federal mandates on K-12 classroom effectiveness
- \$76,000 from the U.S. Geological Survey to support the Federal Geographic Data Committee outreach efforts to include state, local and private sector organizations in developing a national spatial data infrastructure
- \$155,300 from the U.S. Army Corps of Engineers for report on financing public works infrastructure investments
- \$15,000 from Truman Foundation for administrative services
- \$1,800 from Eisenhower Exchange Fellowship for administrative services

Appendix A
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS
December 31, 1993

Private Citizens

Daniel J. Elazar, Philadelphia, Pennsylvania
Mary Ellen Joyce, Arlington, Virginia
William F. Winter, Chairman, Jackson, Mississippi

Members of the United States Senate

Daniel K. Akaka, Hawaii
Byron L. Dorgan, North Dakota
David Durenberger, Minnesota

Members of the U.S. House of Representatives

James P. Moran, Virginia
Donald M. Payne, New Jersey
Steven H. Schiff, New Mexico

Officers of the Executive Branch, Federal Government

Carol Browner, EPA Administrator
Marcia L. Hale, White House, Director of Intergovernmental Affairs
Richard Riley, Secretary of Education

Governors

Arne H. Carlson, Minnesota
Howard Dean, Vermont
Michael Leavitt, Utah
Bob Miller, Nevada

Mayors

Victor H. Ashe, Knoxville, Tennessee
Robert M. Isaac, Colorado Springs, Colorado
Edward G. Rendell, Philadelphia, Pennsylvania
Bruce M. Todd, Austin, Texas

State Legislators

Paul Bud Burke, Pres., Kansas State Senate
Art Hamilton, Arizona House of Representatives
Samuel B. Nunez, Jr., Louisiana State Senate

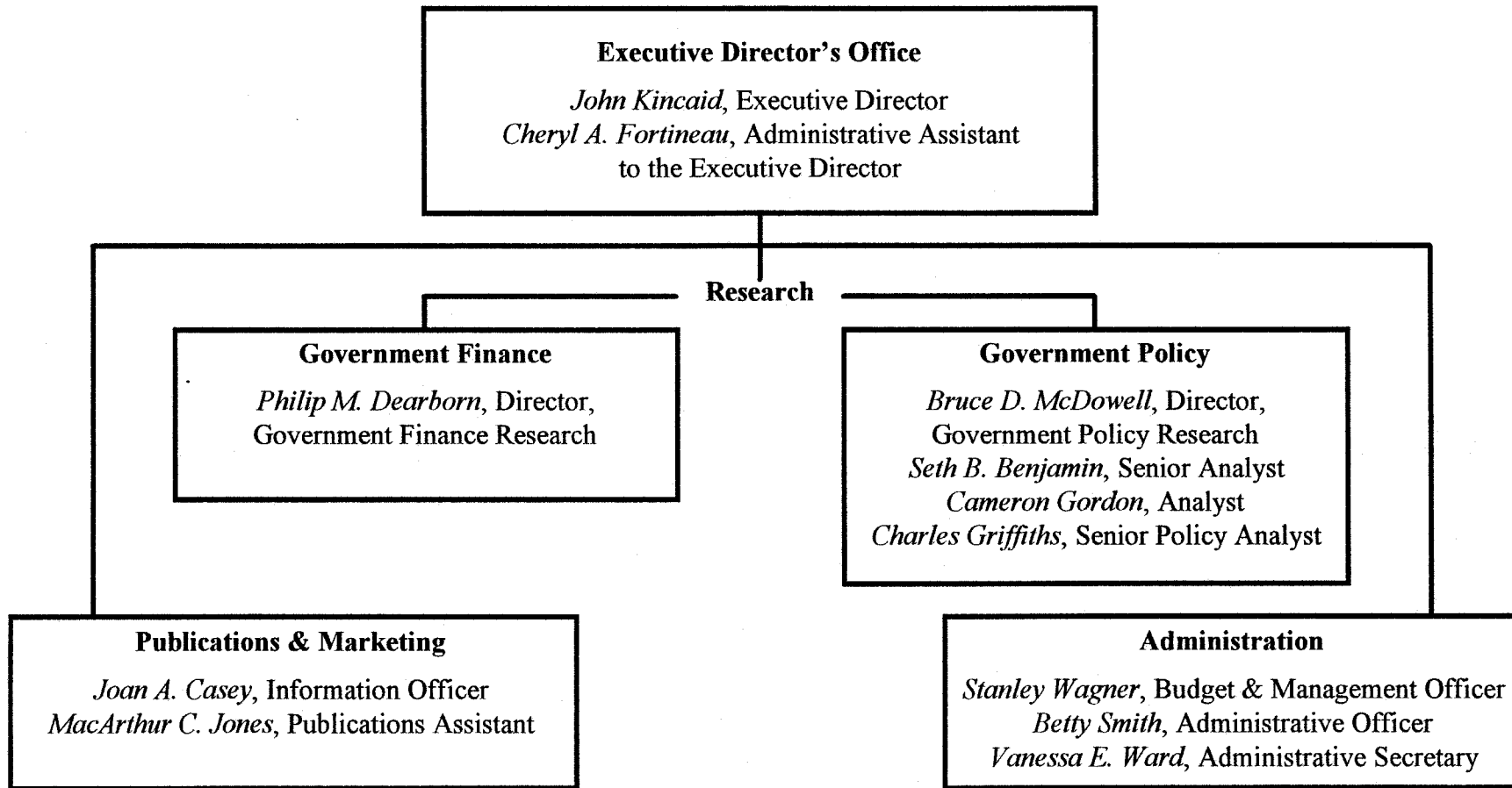
Elected County Officials

Gloria Molina, Los Angeles County Board of Supervisors
John H. Stroger, Jr., Cook County, Illinois
Barbara Sheen Todd, Commissioner Pinellas County Board of Commissioners, Clearwater,
Florida

Appendix B
Commission Meetings: 1993

Date	Place
June 10-11	Washington, DC
December 1	Washington, DC

Appendix C
ACIR STAFF ORGANIZATION CHART
(January 31, 1994)



Appendix D
ACIR Publications Issued in 1993

Reports Containing Commission Recommendations

- A-124 *The National Guard: Defending the Nation and the States*
A-125 *The Role of General Government Elected Officials in Criminal Justice*
A-126 *Federal Regulation of State and Local Governments*
A-127 *Local Government Autonomy: Needs for State Constitutional, Statutory, and
Judicial Clarification*

Information Reports

- M-184 *Guide to the Criminal Justice System for General Government Elected Officials*
M-185-I *Significant Features of Fiscal Federalism, 1993 Edition, Volume I*
M-185-II *Significant Features of Fiscal Federalism, 1993 Edition, Volume II*
M-186 *State Laws Governing Local Government Structure and Administration*
M-187 *RTS 1991: State Revenue Capacity and Effort*

Staff Reports

- SR-14 *Federal Grant Programs in Fiscal Year 1992: Their Numbers, Sizes, and
Fragmentation Indices in Historical Perspective*
SR-15 *Metropolitan Organization: Comparison of the Allegheny and St. Louis Case
Studies*
SR-16 *High Performance Public Works: A New Federal Infrastructure Investment
Strategy for America*

Survey Reports

- S-22 *Changing Public Attitudes on Governments and Taxes: 1993*

Periodicals

Intergovernmental Perspective

- (Winter 1992) Selected Articles
(Spring 1993) Criminal Justice
(Summer 1993) Property Tax Issues

Appendix E
Staff Speaking Engagements and External Publications

STAFF SPEAKING ENGAGEMENTS

John O. Behrens, "Assessing and Property Tax Policies Now and the Year 2000!" Illinois Assessment Institute, Peoria, IL, March 1, 1993.

Seth B. Benjamin, "ACIR and the Intergovernmental Agenda - 1993," Lecture to Graduate Seminar at Bowie State University, Bowie, MD, April 8, 1993.

Philip M. Dearborn, "Local Revenues—Issues and Options," Workshops in Bratislava, Slovakia, June 15-18, 1993.

_____, "State Tax Systems Today," National Conference of State Legislatures, Tax Workshop, Baltimore, MD, October 7, 1993.

_____, National Task Force on State and Local Budgeting, Washington, DC, October 29, 1993.

_____, "Finding a Middle Ground on Mandates," National Tax Association, St. Paul, MN, November 8, 1993.

_____, "City Finances in the 1990s," National Tax Association, St. Paul, MN, November 10, 1993.

Marcia A. Howard, "Medicaid Trends and Options," National Association of Counties, Washington, DC, February 28, 1993.

John Kincaid, "Alternative Approaches to Metropolitan Governance," Annual Meeting of American Association of Law Schools, San Francisco, CA, January 8, 1993.

_____, "American Federalism," WorldNet Television Broadcast from USIA, Washington, DC, January 19, 1993.

_____, "Developments in American Federalism and Prospects for the New Administration," Japan Local Government Center, Washington, DC, February 19, 1993.

_____, "Decline of the Federal Government's Intergovernmental Analytic Capacity," Rockefeller College of Public Affairs, State University of New York at Albany, Albany, NY, March 4, 1993.

_____, "Financing Higher Education in the 1990s," Metropolitan Universities Conference, Denton, TX, March 29, 1993.

- _____, "Tension Points in Intergovernmental Relations," Intergovernmental Affairs Committee, Council of State Governments, Lexington, KY, April 17, 1993.
- _____, "Intergovernmental Costs and Coordination in Environmental Protection," International Symposium on Environmental Protection in Federal States, Australian National University, Canberra, Australia, May 14, 1993.
- _____, "The Values of Federalism in a New World Order," Salzburg Seminar, Salzburg, Austria, May 21-28, 1993.
- _____, "Adjusting the World Order to Communal and Individual Self-Determination," Annual Meeting of Canadian Political Science Association, Ottawa, June 7, 1993.
- _____, "Introduction to ACIR and its Work," Truman Scholarship Foundation, Washington, DC, June 17, 1993.
- _____, "Federal Mandates," Annual Meeting of American Society of Public Administration, San Francisco, CA, July 18, 1993.
- _____, "Issues in Fiscal Federalism," Conference on Federalism in Diverse Societies, Center for the Advanced Study of India, University of Pennsylvania, Philadelphia, PA, October 22, 1993.
- _____, "Federal Mandates and Preemption," Annual Meeting of the Association for Public Policy Analysis and Management, Washington, DC, October 28-30, 1993.
- _____, "Points of State, Local, and Tribal Access to the Executive Regulatory Review Process," Regulatory Planning and Review Conference, Office of Information and Regulatory Affairs, Office of Management and Budget, Executive Office of the President, Washington, DC, December 6, 1993.
- Bruce D. McDowell, Briefing on the Geographic Data Coordination Project, to the Research and Technology Committee of NACo, Annual Washington Meeting of the National Association of Counties, Washington, DC, March 1, 1993.
- _____, Presentation on ACIR Reports Concerning Federal Mandates and Environmental Decision Making, to the ICMA Task Force on Environmental Mandates, Washington, DC, March 7, 1993.
- _____, Briefing on Infrastructure Issues, to Washington Society of Engineers, Washington, DC, April 7, 1993.
- _____, "Politics and Drought Planning: Friend or Foe?," 20th Anniversary Conference of the Water Resources Planning and Management Division, American Society of Civil Engineers, Seattle, WA, May 4, 1993.

- _____, "Testimony on Financing Infrastructure," Joint Hearing of the Transportation, Federal Budget and Taxation, and Energy Committees, National Conference of State Legislatures, Washington, DC, May 6, 1993.
- _____, "The Impact of Federal Environmental Mandates," Luncheon Discussion with a Policy Committee of the Associated General Contractors, Washington, DC, May 7, 1993.
- _____, "Expected Results of the ACIR Infrastructure Task Forces," Annual Meeting of Building Futures Council, Arlington, VA, May 13, 1993.
- _____, "Criteria for Demonstration Projects," GAO staff, Washington, DC, June 2, 1993.
- _____, "An Institutional History and Current Issues in the Chesapeake and Potomac Region," Dinner Meeting of the Chesapeake and Potomac Regional Alliance, Washington, DC, June 14, 1993.
- _____, "Regional Councils Then, Now, and in the Future," Annual Conference of the World Futures Society, Washington, DC, June 30, 1993.
- _____, "Federal Changes in Regulatory Federalism," Annual Conference of the National Association of Secretaries of State, Cleveland, OH, July 28, 1993.
- _____, "Reorganizing Local Government for the 21st Century," Annual Meeting of the American Bar Association, New York, NY, August 6, 1993.
- _____, "Federal Mandates," Hearing of the Kansas State Senate, Committee on Local Government, Topeka, KS, August 18, 1993.
- _____, "Special Districts," Joint Hearing of the House and Senate Local Government Committees of the Kansas Legislature, Topeka, KS, August 19, 1993.
- _____, "Planning Perspectives on Implementing ISTEA," Special Conference sponsored by FHWA and the Lincoln Institute of Land Policy on "Metropolitan America in Transition: Implications for Land Use and Transportation Planning," Arlington, VA, September 9-10, 1993.
- _____, "Implications of the Federal Geographic Data Committee for State Geologists," Association of American State Geologists, Washington, DC, September 15, 1993.
- _____, "High Performance Public Works," Annual Conference of the Building Futures Council, Alexandria, VA, September 20, 1993.
- _____, "The Prospects for Regional Councils," Board of Directors Retreat, Economic Development Council of Northeastern Pennsylvania, Tobyhanna Army Depot, PA, October 7, 1993.

_____, "High Performance Public Works," Annual Conference of the Associated General Contractors, Washington, DC, October 17, 1993.

_____, "Special Districts," Assembly on the Legislature, National Conference of State Legislatures, Phoenix, AZ, October 22, 1993.

_____, "Flexible Financing of Transportation," Washington State Department of Transportation, Seattle, WA, October 28, 1993.

_____, "Infrastructure Finance," National Resources Committee, National Governors' Association, Washington, DC, November 5, 1993.

_____, "Unfunded Federal Mandates," Second Annual Conference of the National Association on Administrative Rules Review, Phoenix, AZ, December 3, 1993.

STAFF EXTERNAL PUBLICATIONS

John O. Behrens, "Multifunctional GIS for Land Registration and Taxation," in 1993 International GIS Sourcebook 4th Edition, 1992, GIS World, Fort Collins, CO, pp. 217-220.

Philip M. Dearborn, "Financing the Post-Apartheid City in South Africa," with Michael E. Bell and Ronald Hunter, Urban Studies 30:3 (1993): 589-591.

_____, "Local Property Taxes: Emerging Trends" and "ACIR 1993 Poll Takes Public Pulse on Taxes," State Tax Notes 5:14 (October 4, 1993): 780-785.

John Kincaid, "Constitutional Federalism: Labor's Role in Displacing Places to Benefit Persons," PS: Political Science and Politics 26 (June 1993): 172-177.

_____, "Consumerism Versus Citizenship: Is There Wiggle Room for Local regulation in the Global Economy?" Managing Foreign Relations in Federal States ed. Brian Hocking (London: University of Leicester Prss, 1993) pp. 27-47.

_____, "From Cooperation to Coercion in American Federalism: Housing, Fragmentation, and Preemption, 1780-1992," Journal of Law and Politics 9 (Winter 1993): 333-430.

_____, "Review of Alice M. Rivlin's, 'Reviving the American Dream'," National Tax Journal 46 (June 1993): 245-250.

Bruce D. McDowell, "Comparison of Intergovernmental Cooperation Between Poland and the United States," Assistance Management Journal 6 (Spring 1993): 9-27.

_____, "Make Investments Count," Governing, (January 1993): 51-54.

_____, "Negotiating Intergovernmental Relationships," Consensus, No. 17 (January 1993): 2.

_____, "Politics and Planning: Friends or Foes?," with William Blomquist, Proceedings of the 20th Anniversary Conference on Water Management in the '90s: A Time for Innovation Edited by Katherine How, (New York, NY: American Society of Civil Engineers, 1993).

Appendix F
Salaries and Expenses

(in thousands, from appropriated funds and offsetting collections)

	FY 1993
	Actual
Personnel Compensation	1,094
Civilian Personnel Benefits	231
Travel and Transportation of Persons:	22
Commission Travel	15
Invitational Travel	7
Transportation of Miscellaneous Items	5
Rental Payments to GSA	279
Other Services	203
Supplies and Materials	36
Equipment	9
Sub-Total, Direct Obligations	<u>1,879</u>
Sub-Total Reimbursable Obligation	578
Total Obligations	<u>2,457</u>

Appendix G

Financial Support

ACIR's FY 1994 Budget

ACIR's budget for FY 1994 is \$1 million. This is \$330,000 below the amount for FY 1993. In addition to this reduction in appropriation, ACIR must report to the Congress by January 28, 1994, on how it intends to pursue an acceptable program for FY 1994. The appropriation is clearly insufficient for ACIR to be able to concentrate effectively on its mission. There is some hope that FY 1995 will be brighter.

Product Sales and State Contributions

ACIR has made a major effort to increase revenues from product sales and state contributions. Combined revenues, however, decreased in FY 1993. Contributions of \$153,034 were received from 24 states in FY 1993. Increases in revenue from this source will continue to be sought by the Commission, although soliciting such contributions is a difficult and time-consuming process, particularly in the current economic climate for the states. There is some reason for hope, however. Many state economies are beginning to pick up and, as a result, there may be more of a willingness to support the work of ACIR.

Space Cost Reduction Measures

During the past eight years, ACIR has regularly reduced its rental space and associated charges. In accordance with Reform 88 initiatives (to reduce overall federal office space use) and, as a result of reduction in the permanent staff and funding, ACIR will again reduce its office space in FY 1994—this time by approximately 39 percent.

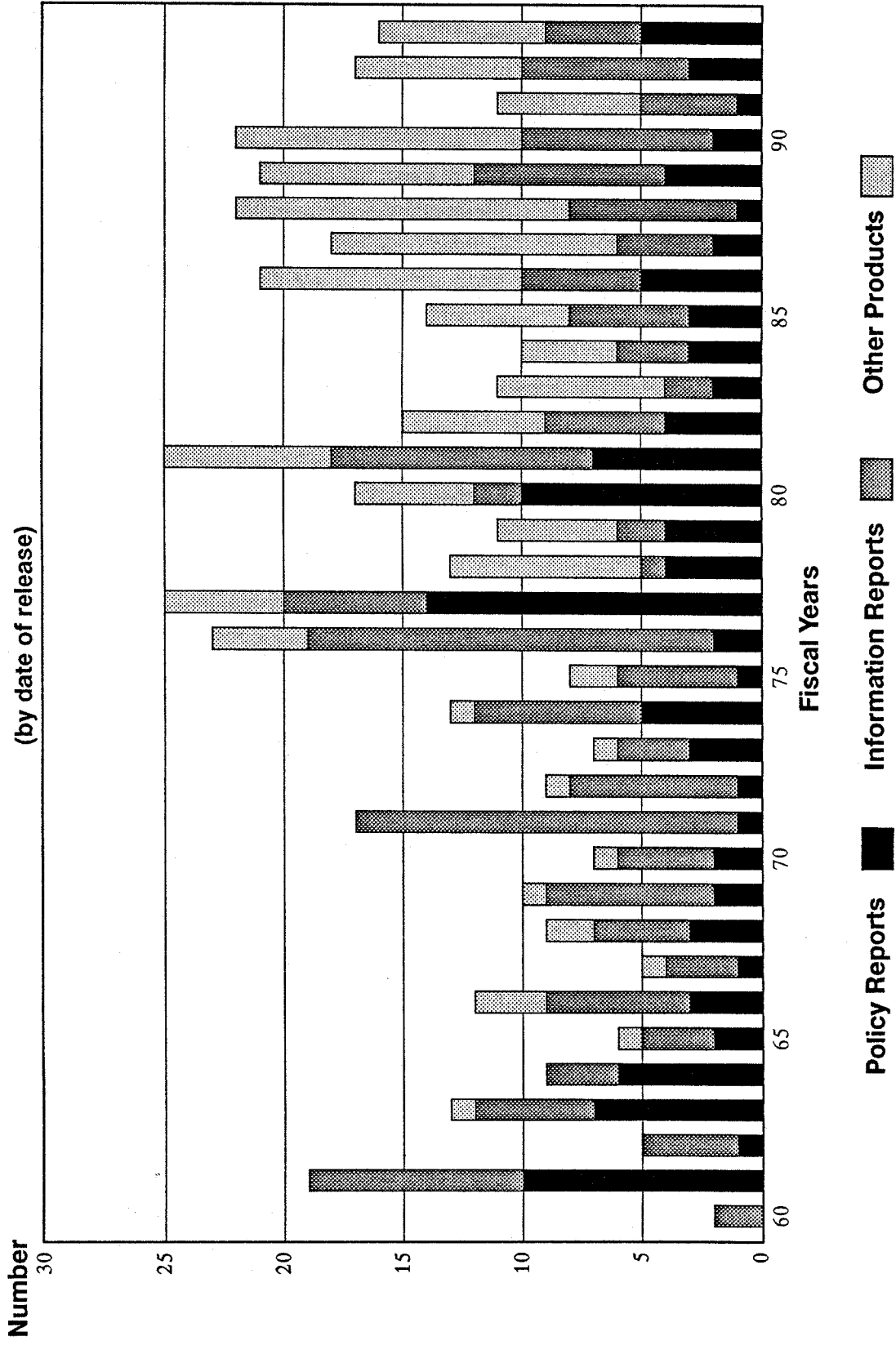
General

It is anticipated that these and other savings and ACIR's ability to retain revenues from the sale of goods and services will allow the Commission to continue operating within OMB's long-range guidelines through FY 1993. The Commission, however, is no longer in a position to reduce staff, space, or other aspects of its operation without also reducing productivity significantly. The Commission's 34-year record of remaining small and frugal while maintaining its vitality and high productivity is certain to be tested in the year ahead.

Appendix H-1

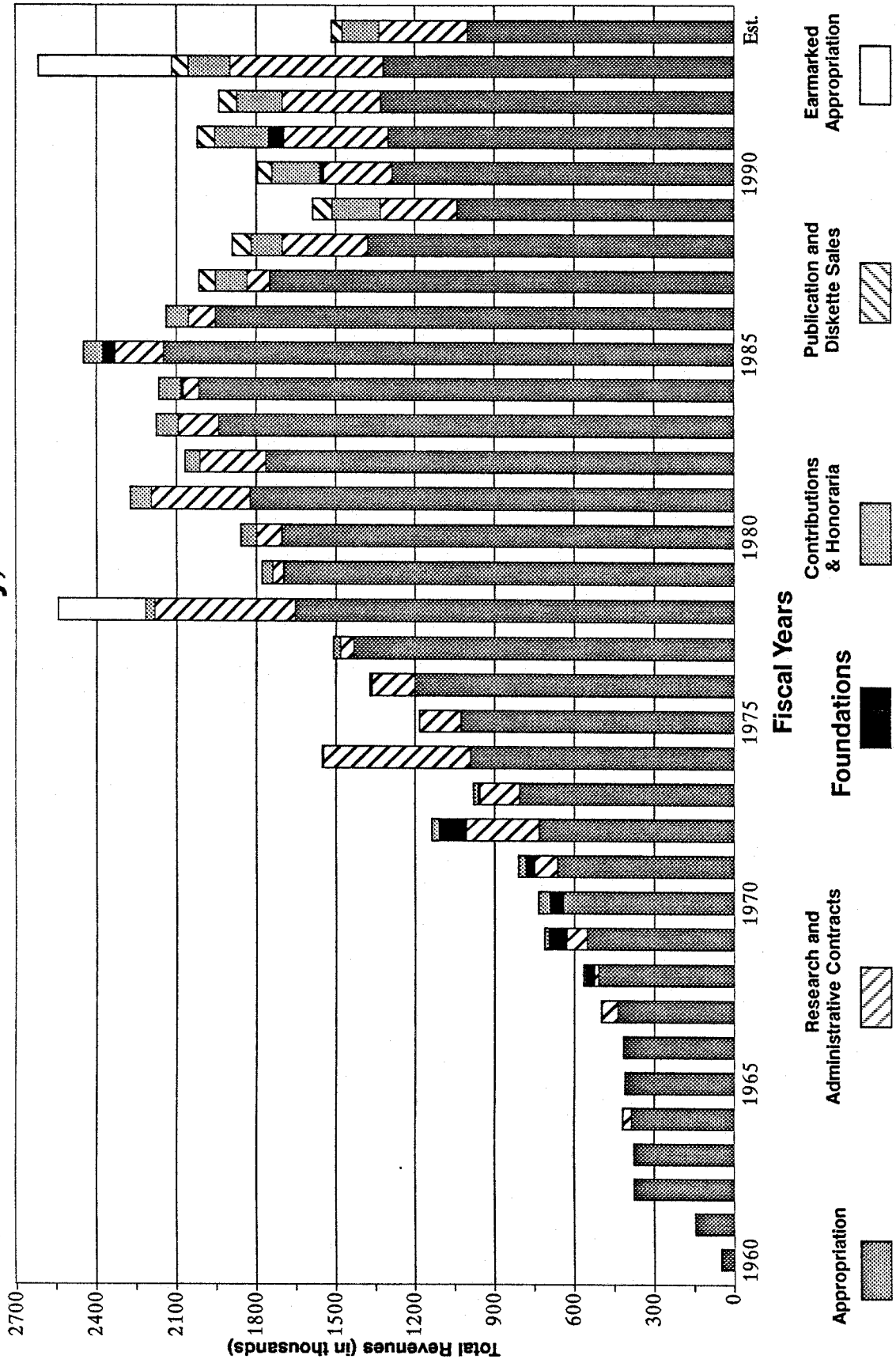
ACIR Publication and Product Production, FY 1960-93

(by date of release)

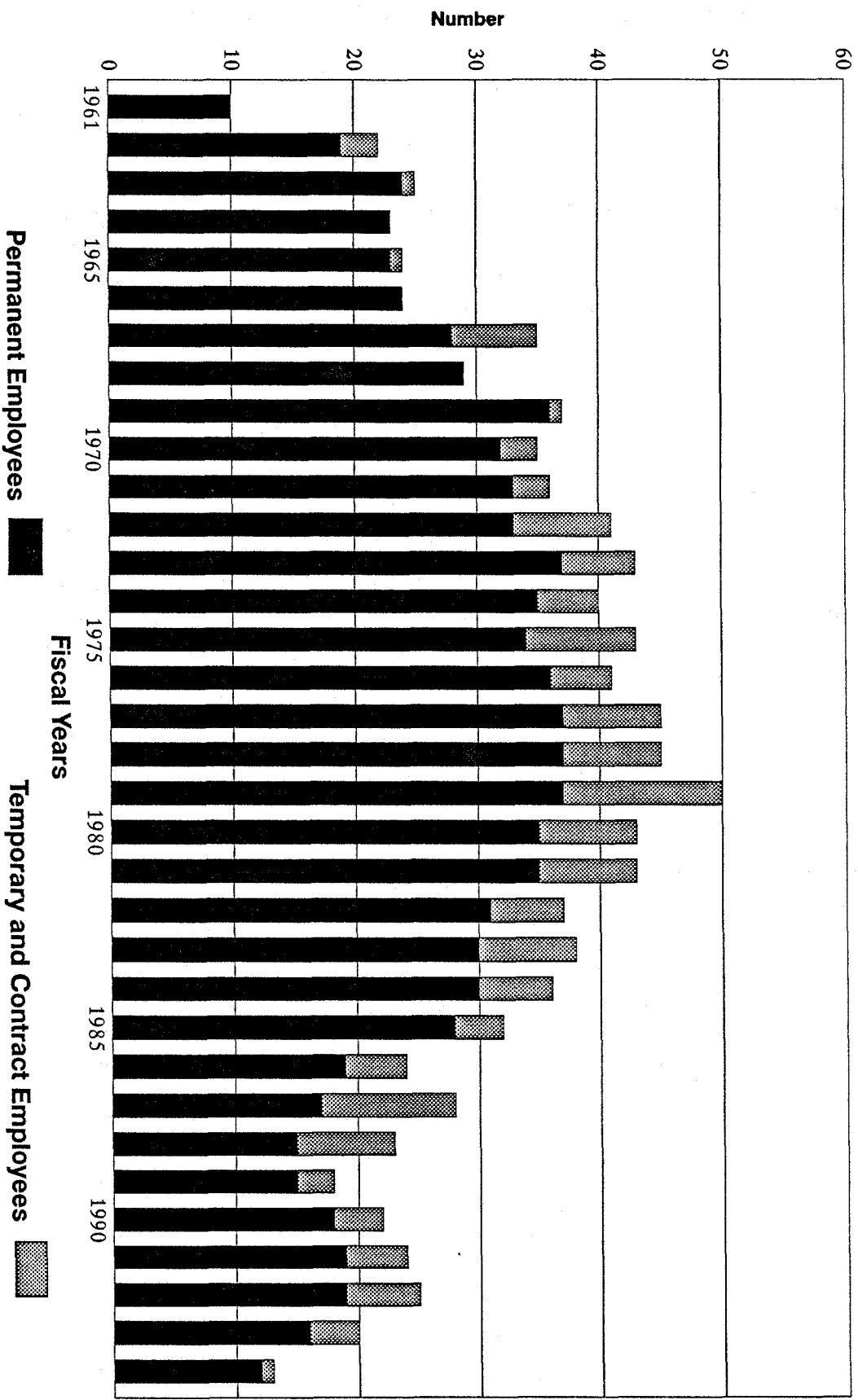


Appendix H-2

ACIR Revenue History, FY 1960-94

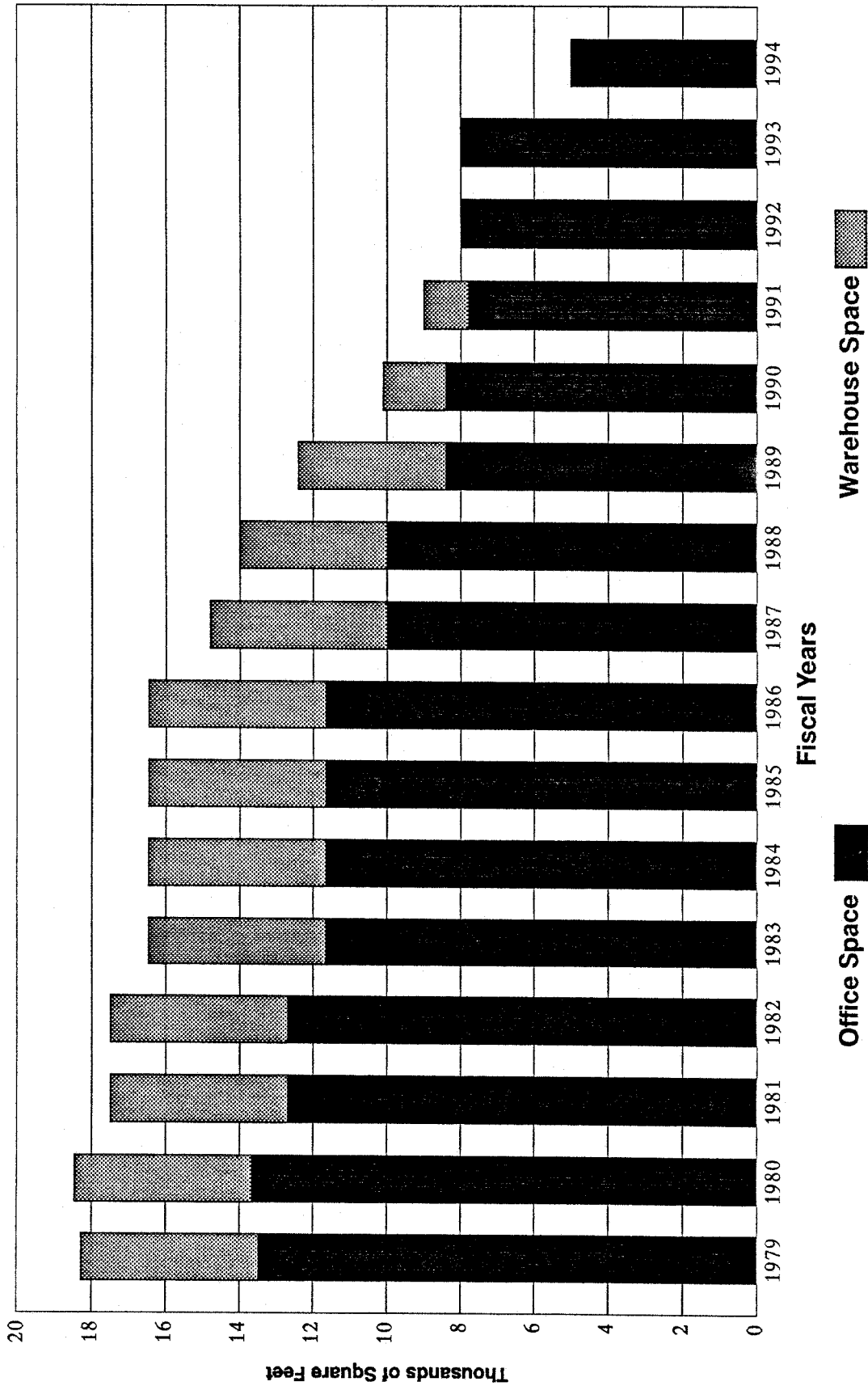


Appendix H-3
ACIR Personnel History, FY 1961-94




Appendix H-4

ACIR Office and Warehouse Space History, FY 1979-94





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