

SECOND ANNUAL REPORT

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

WASHINGTON 25, D. C.

January 31, 1961



ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

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James Kerr Pollock, Michigan, Vice Chairman  
John E. Burton, New York

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Secretary of the Treasury  
James P. Mitchell, New Jersey (Term expired January, 1961)  
Secretary of Labor  
Arthur S. Flemming, Ohio (Term expired January, 1961)  
Secretary of Health, Education and Welfare

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Members from United States House of Representatives:

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Senator Hal Bridenbaugh, Nebraska  
Senator (Mrs.) Leslie Cutler, Massachusetts

Elected County Officers:

Edward Connor, Wayne County, Michigan  
Clair Donnenwirth, Plumas County, California  
Edwin Michaelian, Westchester County, New York

**STAFF:**

Wm. G. Colman, Executive Director

L. Laszlo Ecker-Racz, Research Associate (Taxation and  
Public Finance)

Allen Manvel, Research Associate (Governmental Structure and  
Relationships)

Warren I. Cikins, Research Analyst

Francis X. Tippett, Statistical Assistant

Elizabeth C. Green, Administrative Assistant

Virginia M. Hardy, Secretary

Patricia N. Herbert, Typist

Joan E. Lief, Reference Clerk

Kathleen Y. Orringer, Secretary

**CONSULTANTS:**

Carl Chatters (Deceased December, 1960)

Charles F. Conlon

George H. Deming

Selma Mushkin

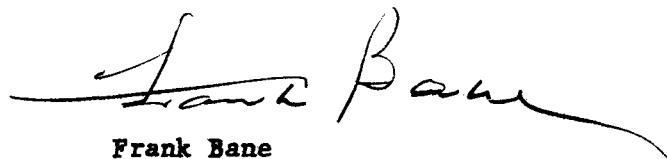
LETTER OF TRANSMITTAL

Advisory Commission on Intergovernmental Relations,  
Washington 25, D. C., January 31, 1961.

Dear Mr. President:

I have the honor to submit the Second Annual Report of the Advisory Commission on Intergovernmental Relations, pursuant to Public Law 86-380, which requires the submission of a report on January 31 of each year. As provided in the statute, a copy of this report is also being transmitted to the Vice President and to the Speaker of the House of Representatives.

Respectfully submitted,

A handwritten signature in cursive script, reading "Frank Bane". The signature is written in black ink and is positioned above the printed name and title.

Frank Bane  
Chairman

The President,  
The White House.



## TABLE OF CONTENTS

	<u>Page</u>
I. Introduction.....	1
II. Changes in Commission Membership and Staff.....	3
III. Appropriations and Budget.....	4
IV. Program of Work.....	4
A. Selection of Topics for Initial Study and General Progress Thereon.....	4
1. Coordination of State and Federal Inheritance and Estate Taxes.....	5
2. Investment of Idle Cash Balances by State and Local Units of Government.....	6
3. Periodic Congressional Reappraisal of Grants- in-Aid.....	6
4. Possible Modification in Categorical Grants- in-Aid for Public Health Services.....	6
5. Intergovernmental Relations and Responsibilities with Respect to Mass Transportation Facilities and Services in Metropolitan Areas.....	7
6. State Constitutional and Statutory Restrictions Upon Local Units of Government.....	8
7. Structure and Potential Improvement of the Real Property Tax.....	8
8. Cooperative Tax Administration.....	9
9. Improved Measures of Fiscal Capacity and Tax Effort.....	9
B. Additional Topics Selected for Study.....	10
1. Statutory and Administrative Controls Associated with Federal Grants-in-Aid for Public Assistance.	10
2. Possible Measures by State and National Govern- ments to Facilitate Metropolitan Area Planning and Development.....	10

TABLE OF CONTENTS,  
Continued

	<u>Page</u>
3. State and Local Taxation of Privately Owned Personal Property Located on Federally Controlled Areas.....	10
4. Certain Aspects of Centrally Collected, Locally Shared Taxes.....	10
C. Other Activities.....	11
1. Economic Data Regarding Metropolitan Areas.....	11
2. Food and Drug Regulation.....	11
3. Library and Clearinghouse Activities.....	11
4. Informational Activities.....	12
Appendix A--Actual and Estimated Obligations, Fiscal Years 1960, 1961, and 1962	
Appendix B--List of Possible Topics of Inquiry in the Field of Intergovernmental Relations	



## I. INTRODUCTION

In view of the relative recency of establishment of the Advisory Commission on Intergovernmental Relations, and since some readers of this report may not have been familiar with the basis upon which the Commission was established, there is repeated here some of the introductory material contained in the First Annual Report of the Commission, issued January 31, 1960.

Public Law 86-380, approved by the President September 24, 1959, provided for the establishment of a permanent, bipartisan body of twenty-six members, to give continuing study to the relationships among local, State and National levels of government. The Act specifies the following composition of the Commission: (a) Three officers of the Executive Branch of the National Government; (b) three private citizens; (c) three members of the U. S. Senate; (d) three members of the U. S. House of Representatives; (e) four Governors; (f) four Mayors; (g) three county officials; and (h) three State legislators.

The act provides that the Commission will:

1. Bring together representatives of the Federal, State, and local governments for consideration of common problems;
2. Provide a forum for discussion of the administration of Federal grant programs;
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.

This is a broad mission; it may be stated simply: to increase the effectiveness of the Federal system in this country. The Commission views this mission as highly important, yet extremely difficult. Results will not come easily or quickly. Rather, they will come only through the continuing attention and conscious efforts of legislators and administrators at all three levels of government. The principal contribution which the Commission can make is to catalyze such attention and effort through the sharpening of issues and the presentation of recommendations which are susceptible to clear-cut response by legislative bodies and political leaders.

The Commission believes that the years ahead hold serious challenge for all levels of government, and if our present system is to prove equal to these tasks, the resources of each level must be utilized to the highest degree of effectiveness. The Commission is therefore dedicated to the proposition of strengthening local and State governments in particular, in order that they may play their full part in a period where the forces of international tension, rapid population growth and marked technological change point to an increase in the responsibilities of government as a whole.

Finally, the Commission recognizes that its own value and place in the federal system will be determined by the extent to which it is able to make constructive contributions. It cannot expect continuance and support over an indefinite period unless by its actions significant changes for the better occur in the relationships among Federal, State and local agencies of government.

In carrying out its activities, the Commission is approaching its job selectively and with an objective point of view, along the following lines.

1. The Commission is equally concerned with the problems of the Federal, State, county, and municipal governments as they relate to each other. It is truly inter-governmental. The public interest is paramount.

2. The Commission is approaching its work objectively. As it gives consideration to present functions and responsibilities and to emerging problems, the Commission is endeavoring to frame its recommendations on the merits of the case as it sees them. Depending on the circumstances it may recommend expansion, or contraction, or transfer, or elimination of particular functions and responsibilities.

3. The Commission is approaching its work selectively. It is not involving itself in areas presently the responsibility of other governmental commissions and bodies. (For example, in the area of Federal taxes, the Commission will be concerned with the Federal-State-local relationships involved in these taxes and not with the

desirable magnitude of a particular tax--the latter being the concern of the respective Congressional committees.) It is not espousing "group causes" as such; it is confining its attention to intergovernmental relations but will hear groups with an interest in these relationships. It will give assistance in the review of proposed legislation as seems necessary and desirable, on the intergovernmental aspects of such legislation.

4. The Commission is working closely with governmental agencies, associations of public officials, and private research organizations already involved in the problems of intergovernmental relations. The Commission is endeavoring to encourage and stimulate these groups to assure that the total resources, public and private, will be most effectively employed to the solution of problems.

## II. CHANGES IN COMMISSION MEMBERSHIP AND STAFF

Subsequent to the organization of the Commission on December 10, 1959, through calendar year 1960, only one change in Commission membership occurred. Elisha Barrett, State Senator from New York, resigned in May and was replaced by Hal Bridenbaugh, State Senator from Nebraska. The membership of the Commission as of December 31, 1960 is shown on page ii. During the month of January, 1961 membership on the Commission expired, concurrent with the termination of their appointments in the Executive Branch of the Federal Government, in the case of the following: Robert B. Anderson, Arthur S. Flemming, and James P. Mitchell. Also in January, 1961 Governor John Anderson, Jr. of Kansas was appointed to the place on the Commission formerly held by Governor William G. Stratton of Illinois.

At its second meeting, held on February 10, 1960, the Commission appointed as Executive Director Mr. William G. Colman of Maryland, formerly a staff member of the "Kestnbaum Commission" in 1954-55 and subsequently Executive Assistant to the Director of the National Science Foundation.

During the remainder of the year a small professional staff was assembled. Mr. L. L. Ecker-Racz, for several years associated with the tax research staff of the Treasury Department, was appointed as Research Associate (Taxation and Public Finance) and Mr. Warren Cikins was appointed as a Research Analyst. Late in the year Mr. Allen Marvel, for several years in charge of the Governments Division of the Bureau of the Census, was appointed as Research Associate (Governmental Structure and Relationships). He reports for duty with the Commission on March 1, 1961. The complete staff of the Commission, including part-time consultants, is shown on page iii.

### III. APPROPRIATIONS AND BUDGET

Immediately following the enactment of Public Law 86-380, the Congress appropriated \$50,000 to enable the new Commission to get under way during the remaining portion of the fiscal year 1960.

For the period July 1, 1960 through June 30, 1961, the Commission submitted and the President approved an appropriation request in the amount of \$175,000. The Congress reduced this amount to a total of \$143,500 (a regular appropriation of \$115,000 and a supplemental appropriation of \$28,500). The estimated breakdown, by object of expenditure, of the Commission's budget for FY 1961 is as follows:

Personal Services	\$102,730
Travel	17,000
Transportation of Things	300
Postage, Telephone and Telegraph	1,300
Printing and Reproduction	6,220
Other Contractual Services	9,200
Supplies and Materials	1,000
Retirement Contributions	5,450
Social Security Contributions	300
	<hr/>
Total	\$143,500

Actual and estimated obligations by specific objects of expenditure for the fiscal years 1960, 1961 and 1962 are shown in Appendix A.

### IV. PROGRAM OF WORK

#### A. Selection of Topics for Initial Study and General Progress Thereon

The Commission recognized at the outset that its initial selection of fields of study represented a crucial decision which would largely chart the Commission's course for the first two or three years of its existence and which would influence to a considerable degree the receptivity of its endeavors by the different levels of government. At its second meeting in February, 1960 the Commission came to the conclusion that its work would fall into three major areas: (a) taxation and public finance, (b) the structure and operation of State and local governments, including their relationships with each other and with the National Government, and (c) the emerging inter-governmental problems of the large metropolitan areas. At its third meeting held on May 25, 1960 the Commission selected the specific topics within these broad areas to which initial inquiry would be

directed. In making this selection a number of considerations were paramount. First, the current problems of intergovernmental relations are numerous and complex; shown in Appendix B is the "check list" of possible subjects of study which formed the initial point of departure. Secondly, in view of its nature and composition, the Commission is not obliged to try to cover over one period in time the entire gamut of intergovernmental relations.

Consequently, the Commission took note of the following criteria in the establishment of the first year's program of work:

(1) Relative importance and urgency of the problem and the degree to which it pervades all or most levels of government, and the degree to which it impinges upon the effective operation of our federal system; (2) manageability of the problem in terms of time, money and talent available for its study; and (3) the relative possibility of practical accomplishments and improvements flowing from the results of the study.

Set forth below are the specific topics selected for study, a brief statement of the problem and the current status of each.

1. Coordination of State and Federal Inheritance and Estate Taxes

The Federal estate tax credit for taxes paid to States has remained unchanged since 1926, when it was fixed at 80 percent of Federal estate tax liability under the 1926 Federal tax rates. The 80 percent credit, in effect, enabled the States through appropriate legislation, to take for State purposes about 80 percent of the tax liability imposed under Federal law at that time. In 1932 and on several subsequent occasions, the Congress increased Federal estate tax rates and reduced exemption without, however, altering the scope of the credit for State taxes, with the result that the Federal Government now receives the major proportion of revenues derived from the Federal tax.

The Federal and State governments currently derive about \$1.7 billion from inheritance and estate taxes. In fiscal year 1959 the Federal revenue (after the credit for State taxes) was \$1.2 billion. The State revenue was about \$350 million, composed of about \$140 million allowed as a credit against Federal tax and \$210 million levied outside the credit. About one-fourth of the excess of State taxes over the credit is believed to come from taxes on estates not taxed by the Federal Government--those which fall below the Federal exemption. The balance represents State taxes in excess of the Federal credit from estates taxed by both the States and the Federal Government.

The Commission's study has been directed toward the development of possible simplifications in the Federal-State credit arrangements which would provide an increased share of

this revenue source to the States while at the same time affording some simplification of the burden of taxpayer compliance. At its fourth meeting held on January 18-19, 1961 the Commission adopted a comprehensive report on this subject, which is being transmitted to the President and the Congress along with recommended legislative action.

2. Investment of Idle Cash Balances by State and Local Units of Government

Although there has been considerable improvement in the past two or three decades in the investment practices of State and local governments, designed to hold to a minimum the loss of interest income on cash balances, there is still considerable room for improvement particularly with respect to counties and municipalities. The practice of placing large inactive checking account balances with local banks is still frequently encountered. The subject is particularly apropos in a time of relatively high interest rates and urgent needs of State and local governments for increased revenue.

At its fourth meeting held on January 18-19, 1961 the Commission adopted a report dealing with this problem. The report is being transmitted to State and local governments along with recommended legislative and administrative action.

3. Periodic Congressional Reassessment of Federal Grants-in-Aid to State and Local Governments

The difficulty of terminating, redirecting or otherwise modifying Federal grants-in-aid, once initiated, has been stressed by practically every group, beginning with the "First Hoover Commission," which has examined Federal-State relations. The Commission has conducted a study of this problem and a report, with recommendations to the Congress, will be issued in the spring of 1961.

4. Possible Modification in Categorical Grants-in-Aid for Public Health Services

Continuing Federal grants for public health activities were inaugurated under the Social Security Act of 1935. Grants for the control of venereal disease were initiated earlier by the Chamberlain-Kahn Act of 1918 but were discontinued after a few years. The Public Health Service Act of 1944, consolidating and expanding previous public health legislation, is now the basic public health statute. Grants are made to assist the States and their political subdivisions to maintain adequate programs

for general health and in five specific categories: Cancer control, heart-disease control, mental health, tuberculosis control, and venereal-disease control. Funds are allotted to the States for each category except venereal disease on the basis of formulas which take into account population, the extent of the particular health problem, and State per capita income. Funds for venereal-disease control are granted on a project basis at the discretion of the Surgeon General and do not require matching. Grants for all other categories must be matched by the expenditure of 1 dollar from State or local sources for every 1 Federal dollar. The programs are administered by the Public Health Service, Department of Health, Education, and Welfare.

Dating from the "First Hoover Commission" every major study group which has concerned itself with intergovernmental relations has identified as one of the problems of Federal-State relations current at the time, the specific categorization of Federal grants-in-aid for public health services and the administrative and budgetary difficulties alleged to be associated therewith. The report of the "First Hoover Commission" on Federal-State Relations in a section entitled "Piecemeal Determination: Public Health" discussed this situation as one which "makes it difficult for the States to balance their own fiscal and administrative activities." Similar comments were made in the report of the Intergovernmental Relations Subcommittee of the House Committee on Government Operations in 1958 and the final report of the Joint Federal-State Action Committee.

The Commission has conducted a study of this issue and has adopted a report containing recommendations for certain amendments to the Public Health Service Act of 1944. The report with accompanying recommendations will be issued in the near future.

5. Intergovernmental Relations and Responsibilities with Respect to Mass Transportation Facilities and Services in Metropolitan Areas

Ways and means of preserving and strengthening commuter transportation facilities in major metropolitan areas are essential if the economic and social health of such areas is to be maintained. Continued abandonment of railroad passenger service has jeopardized many rapid transit systems and has thrown an increasingly severe burden on other forms of commuter transportation, chiefly the already overcrowded highways. A principal factor in the current breakdown of commuter transportation--especially railroad commuter facilities--has been the overlapping jurisdiction of Federal, State, county and local governments in the field of

transit regulation, taxation, etc., and the failure of these various levels of government to coordinate their activities insofar as they affect commuter service, including the uncoordinated use of subsidies and taxing powers with respect to competing forms of transportation.

The Institute of Public Administration in New York has undertaken a study of this problem for the Commission. The study is directed to the development of possible measures which can be taken by the respective levels of government--principally the States and the National Government--to ameliorate the current intergovernmental complexities which stand as a barrier to the development of integrated and balanced transportation plans and facilities in the metropolitan areas. The Commission hopes to issue a report on this subject in the early summer of 1961.

6. State Constitutional and Statutory Restrictions Upon Local Units of Government

This topic has been rated as highly important by most study groups which have examined intergovernmental relations in general or State-local relations in particular. It has been viewed by many as being of key importance in strengthening local governments and thereby arresting unnecessary centralization. The objective of decentralization cannot be attained by a readjustment of National-State relations alone. It will be fully achieved only when carried through to the lowest levels of government, where every citizen has the opportunity to participate actively and directly. The strengthening of local governments requires that activities that can be handled by these units be allocated to them, together with the financial resources necessary for their support.

The Commission is undertaking an intensive study of this problem and will be submitting reports and recommendations for the consideration of State governments and legislatures.

7. Structure and Potential Improvement of the Real Property Tax

The effectiveness of property taxation is and will remain the central tax problem of local governments. The successful resolution of the problem will in large measure depend on the nature of State-local tax relations and more particularly on the leadership and assistance provided local governments by the States in efforts to improve property taxation. Apart from highway-user revenues largely dedicated to road purposes, property taxes provide more than half of all State and local tax revenues and for seven-eighths of locally collected tax revenues of cities, towns, counties, and school districts. The local units of government



will depend upon the property tax for large parts of additional revenues needed in the future, and their quest for revenues is expected to continue unabated because most of the forces which have contributed to rising government costs since the war are likely to persist into the indefinite future. In the face of these needs, property taxation policies are severely limiting the fiscal powers of a great majority of local governments operating under constitutional, statutory and charter tax rate and debt limitations based on assessed value aggregates.

The Commission is sponsoring a study of intergovernmental relationships--especially State-local relationships--with respect to the real property tax. The study will be conducted by the Institute of Public Administration in New York in cooperation with the staff of the Commission, with financing from private foundation sources. The study is intended to develop recommendations for State and local governments on ways in which the structure, yield, and administration of the real property tax may be improved.

#### 8. Cooperative Tax Administration

This is still a productive field for improvement in intergovernmental financial relations, despite marked progress already made. The Commission's studies of this subject will result in a series of reports designed to uncover new and fruitful possibilities for cooperative arrangements among Federal, State and local tax administrators.

#### 9. Development of Improved Measures of Fiscal Capacity and Tax Effort of State and Local Units of Government

Several authorities in the tax field have mentioned this as one of the most difficult yet one of the most promising areas of research in intergovernmental financial relations. Some financial grants-in-aid from the National Government to the States are based in part upon the utilization of per capita income as a measure of State fiscal capacity. Likewise, in State-local relations, per capita income and assessed value of real property are among the measures most frequently used in the development of State aid formulas. Many have expressed doubt as to the validity of either per capita income or assessed valuation as accurate measures of fiscal capacity of State and local units of government, but no better measures susceptible to general application have as yet been devised. To explore adequately the possibility of other measures requires a fairly sizable research undertaking embracing the fields of economics and public finance and exceeds by far the financial and staff resources available to the Commission. Therefore, the Commission has been endeavoring to secure private financing for the undertaking of this study but has so far been unsuccessful.

## B. Additional Topics Selected for Study

At its fourth meeting held on January 18-19, 1961 the Commission selected the following additional items for its work program.

### 1. Statutory and Administrative Controls Associated with Federal Grants-in-Aid for Public Assistance

Section 2 (3) of the statute charges the Commission specifically with giving "critical attention to the conditions and controls involved in the administration of Federal grant programs." The Commission has taken cognizance of current discussions and differences of opinion between a number of States and the National Government regarding the conditions and requirements associated with the review and approval of State plans for public assistance activities, particularly aid to dependent children.

### 2. Possible Measures by State and National Governments to Facilitate Metropolitan Area Planning and Development

As mentioned earlier, the Commission believes that the emerging intergovernmental problems of the large metropolitan areas constitute a highly important and urgent segment of the Commission's activities. In addition to addressing itself to the specific problem of mass transportation in metropolitan areas as described earlier, some of the more general aspects of Federal-State-local relationships in these large urban areas will be examined. The Commission will give particular attention at this time to the role of the National Government and to possible additional measures the National Government could take to facilitate intergovernmental relationships in those areas.

### 3. State and Local Taxation of Privately Owned Personal Property Located on Federally Controlled Areas

This is a relatively narrow but bothersome aspect of Federal-State tax relations. Currently privately owned personal property located on Federal reservations or other federally controlled areas is exempt from local property taxation. This problem will be explored and possible recommendations for modifications in existing legislation will be examined.

### 4. Certain Aspects of Centrally Collected, Locally Shared Taxes

The Commission will explore possibilities for augmenting State and local revenues through sharing in Federal and State collections. The potential scope of local and State supplements to State and Federal taxes, respectively, will also be studied with a view to identifying the tax areas and situations in which this device has general applicability.

## C. Other Activities

### 1. Economic Data Regarding Metropolitan Areas

Government administrators in metropolitan areas and scholars engaged in research on various aspects of metropolitan area problems have become increasingly concerned regarding the lack of adequate economic and other statistical data covering metropolitan areas as an economic entity. Typically, these data are collected and published by political unit and cannot always be pulled together on an economic area basis.

The Commission has been carrying on discussions with Federal and State agencies regarding the ways in which census, income, banking and other statistics can be made more useful to those engaged in metropolitan area planning.

### 2. Food and Drug Regulation

The Commission is giving cooperation to a study being undertaken by the Association of Food and Drug Administrators directed toward the strengthening of State and local food and drug regulation enforcement and the improvement of intergovernmental relations in this field.

### 3. Library and Clearinghouse Activities

As one of its first tasks the Commission has constituted itself as a central clearinghouse for information on the many complex aspects of intergovernmental relations. As part of this general purpose it will act as a co-ordinating center for the further study of intergovernmental problems.

In this connection the Commission does not envisage itself as a repository for all the enormous amounts of information relating to intergovernmental relations. It has begun a selective collection of the more important studies of States, counties, and municipal governments, by acting as a central reference point, directing inquiries to the appropriate source.

Among the first tasks of the Commission in this regard has been (1) to assemble important information sources on the more crucial intergovernmental problems, (2) to identify the major sources of information in order to serve as a convenient reference point, and (3) to prepare, or have prepared, monographs summarizing presently available but relatively inaccessible data in Federal agencies and other sources which will help other levels of government to help themselves in the solution of their financial, administrative, and other problems.

#### 4. Informational Activities

During its first year of operations the Commission, its Chairman, Vice Chairman and staff have met with a number of professional groups to explain the legislative mandate of the Commission and to solicit information and suggestions regarding problems of concern to the Commission. Included among these activities have been meetings with: the Annual Governors' Conference, Glacier Park; the Annual Conference of the U. S. Conference of Mayors, Chicago; the Silver Anniversary Conference of the National Association of County Officials, Miami; National Association of Tax Administrators, Minneapolis; National Municipal League - National Conference on Government, Phoenix; New York Chapter, Society for Public Administration; VIIIth Inter-American Municipal Congress, San Diego; New York State Local Government Workshop, Albany; 25th Anniversary Finance Officers Workshop, Pennsylvania State University; and other conferences and meetings of State and local officials.

APPENDIX A

OBLIGATIONS OF THE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS  
FOR FISCAL YEARS 1960, 1961 AND 1962

<u>Object Classification (In thousands)</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>
	<u>actual</u>	<u>estimate</u>	<u>estimate</u>
11. Personnel Compensation.....	16	103	232
12. Personnel Benefits (Retirement, Group Life Insurance, Health In- surance).....	1	7	16
21. Travel (Commission Members and Staff).	9	17	36
22. Transportation of Things.....	...	...	1
23. Rent and Utilities.....	...	...	1
Postage, Telephone and Telegraph.....	1	1	5
24. Printing and Reproduction.....	1	6	26
25. Contractual Services.....	6	8	42
26. Office Supplies and Materials.....	2	1	5
31. Office Furniture and Equipment.....	13	...	12
Total Obligations.....	48	144	375



APPENDIX B

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS  
Washington 25, D. C.

April 5, 1960

Draft Check List of Possible Problems and Issues of  
Intergovernmental Relations to which Advisory Commission on  
Intergovernmental Relations Could Conceivably Address Itself

1. Continuance, modification, expansion, or discontinuance of specific Federal grant-in-aid programs
  - a. School lunch and special milk programs
  - b. Public assistance
  - c. Hospital construction
  - d. Public health grants
    - (1) general public health services
    - (2) health and medical research
    - (3) mental health
    - (4) tuberculosis
    - (5) venereal disease
  - e. Water pollution and sewage treatment facilities
  - f. School construction and operation in federally impacted areas
  - g. Token grants to land-grant colleges
  - h. Educational activities under National Defense Education Act
  - i. Vocational education
  - j. Library services
  - k. Vocational rehabilitation
  - l. Employment security administration

- m. Agricultural extension
- n. Agricultural experiment stations
- o. Forest protection and utilization
- p. Agricultural marketing services
- q. Fish and wildlife restoration and management
- r. Civil defense
- s. Natural disasters
- t. Airport construction
- u. Slum clearance and urban renewal
- v. Urban planning grants
- w. Public housing
- x. State marine schools
- y. Highways

(Note: All of the above except water pollution, libraries and defense educational activities were covered by the Kestnbaum Commission.)

2. Improvement in intergovernmental administration of grant-in-aid programs

- a. Whether or not all grants should be channeled through the States
- b. Auditing
- c. Question of degree of review of State and local plans, and other rules and regulations of Federal agencies administering grants-in-aid
- d. Judicial or other review of Federal administrative decisions regarding grants-in-aid
- e. Question of substitution of block grants for certain categorical grants and for transferability of funds among specific categories (e.g., public health categorical grants)



- f. Development of a standard provision for insertion into statutes authorizing any new grants-in-aid which would provide for Congressional re-examination of the grant after a specified lapse of years.
3. Simplification of Congressional, State and local machinery for approval of interstate compacts
4. Metropolitan areas and metropolitan planning
  - a. Mass transportation facilities and services
  - b. Water and sewage
  - c. Governmental organization in metropolitan areas
  - d. Possible measures by State and National Governments to facilitate metropolitan area planning and development
  - e. Coordination of National Government programs having impact on particular metropolitan areas (e.g., highways, housing, waste treatment, etc.)
5. State constitutional and statutory restrictions upon local units of government -- functional, organizational and financial
6. Consolidation of local units of government
7. Legislative apportionment
8. Disposal of Federal surplus property
9. Provision by States of professional services to small local units of government
10. Development by States of "shelf" of State-local public works
11. Governmental assistance to small business (i.e., what role should State and local governments have in this regard?)

12. River and harbor development
13. Governmental assistance in meeting technological unemployment--  
retraining and reallocation of displaced personnel in automated  
industry and mechanized agriculture
14. Economically depressed areas
15. Education beyond the high school (intergovernmental relationships  
in other levels of education covered in grant programs enumerated  
in (1) above and already largely researched from intergovernmental  
relations point of view)
16. Weather modification
17. Atomic energy licensing and regulation (partially researched already)
18. Water resources in general (partially researched already; also  
partially covered under "metropolitan areas" above)
19. Production and distribution of desalinated water
20. Federal-State-local relationships in law enforcement
21. Labor management relations (with respect to Federal-State "no  
man's land")
22. Traffic safety
23. Environmental health
  - a. Food and drug regulation
  - b. Air pollution
  - c. Water pollution
  - d. Radio-active fallout

24. Taxation and public finance

- a. Exchange of specific grants for specific tax sources
- b. Revision of estate tax (information already in process of collection)
- c. Payment in lieu of taxes, shared revenues, and loans and repayable advances
- d. Intergovernmental tax immunities (other than those covered in "payment in lieu" problem)
- e. Economic incidence and impact of different taxes--research directed toward better measures of "tax effort" and tax resources
- f. State technical assistance to local government borrowing
- g. State and local tax and other financial competition for industry
- h. Structure, incidence and administration of the local real property tax
- i. Cooperative tax administration
- j. Investment of idle cash balances in interest-bearing securities
- k. Centrally collected, locally shared revenues
- l. Equalization features of Federal grants-in-aid
- m. Non-property tax sources of local government revenue
- n. State taxation of income derived from interstate commerce

Note:

Problems of (a) elementary and secondary school construction and operation, (b) civil rights and (c) health insurance are not listed because of recent detailed Congressional consideration of these issues.





