

15th ANNUAL REPORT

ACIR: the year in review



ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Washington, D. C. • January 1974 • M-80

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COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575
January 30, 1974

Dear Mr. President:

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

Respectfully submitted,

Robert E. Merriam
Chairman

The President
The White House

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ACIR: the year in review

The work of the Advisory Commission on Intergovernmental Relations in 1973 centered on governmental problems below the State level and the forces that act on them from all levels—Federal, State and local.

The Commission began a new kind of task, monitoring the intergovernmental impact on the 50 States and 38,000 local general governments of the landmark general revenue sharing program adopted in 1972. It continued consideration of its path-finding analysis of sub-state regionalism. It re-examined intergovernmental roles in financing schools and the property tax, looked at financial emergencies of cities, and investigated alternative fiscal resources for local government.

For the first time, Congress requested and funded a Commission study—State taxation of banks and saving institutions.

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The ACIR Approach

ACIR is a national, bipartisan body established by Congress in 1959 to study points of intergovernmental conflict and tension and to make recommendations for easing them and thereby improving the system. Because of its unique stature as a permanent commission, ACIR is able to follow-up on its recommendations, prodding the legislative, judicial and executive branches of Federal, State and local government to implement them.

The work of the Commission flows in three stages: staff research and information gathering at the direction of the Commission; policy-making by the Commission; and efforts by both Commission and staff to see adopted policies implemented.

Information Gathering and Policy-Making.

The Commission prepares an agenda of topics for study and investigation. Information is gathered by a variety of methods including

library research, Commission hearings, staff surveys and field studies. During 1973, for example, ACIR conducted four public hearings, surveyed public officials on substantive matters, and sponsored a public opinion poll to probe grass roots attitudes on taxation and finance and revenue sharing.

To assure that all relevant aspects of each study topic are reflected in the findings of fact and background sections of a report, the staff conducts "thinkers' sessions" at the beginning of a research project to help define its scope and "critics' sessions" near the completion of a project to avoid errors of omission or bias in the draft prepared for the Commission. Participants in these shirt-sleeve sessions usually include representatives of appropriate government agencies, spokesmen of public interest groups, members of the academic community, representatives of relevant civic labor and business associations.

When the background and findings are prepared, the Commission debates the report at a public meeting and votes on policy recommendations.

Implementation. As soon as the Commission adopts the policy, staff begins the implementation process at Federal, State and local levels—frequently before the report is published. Federal recommendations for legislation are translated into draft bills which congressional members of the Commission introduce in the Senate and House. ACIR staff works closely with the committee staffs considering the legislation and Commission members or staff testify at congressional hearings on these measures.

On other proposed legislation, staff responds to legislative referral memos from congressional committees or the Office of Management and Budget, that seek Commission opinions on bills that would have an inter-governmental impact. During 1973, ACIR

answered well over 50 memos on subjects such as proposed Federal aid for property tax relief, a neighborhood governments act, consumer legislation and highway aid.

Staff prepares appropriate draft executive orders to implement recommendations for administrative action, and works closely with the Federal agencies and the Office of Management and Budget to facilitate implementation.

Since 1967, ACIR has administered a Federal procedure for consultation with State and local government interest groups on proposed Federal rules and regulations. The procedure, known by the name of the OMB circular that initiated it—*Circular A-85*—provides an opportunity for State and local chief executives to suggest changes in the proposals to reflect the interests of elected officials. ACIR distributes the proposals among the general government interest groups for comment and sets up meetings to resolve conflicts. The groups are the National Governors' Conference, Council of State Governments, National League of Cities, U.S. Conference of Mayors, National Association of Counties, International City Management Association and the National Association of Regional Councils.

Recommendations for other levels of government generally are directed at the States, the legal "parents" of their local governments. Staff prepares draft model State legislation or constitutional amendments to implement the recommendations. They are distributed through the *ACIR Legislative Program*; in individual "slip bill" form; in "action packets" on specific subjects; and in other special documents for target audiences. In addition, an ACIR staff member works closely with the Council of State Governments' Committee on Suggested State Legislation. ACIR drafts are published as part of that committee's annual volume of *Suggested State Legislation*.

In addition to these more formal procedures, staff maintains personal liaison with the Federal agencies, the public interest groups and State and local officials across the country. During 1973, the Commission chairman and senior staff members spoke at meetings of government groups, civic associations and academic conferences in well over half the States. Several staff members also testified on ACIR proposals at State legislative hearings.

Information Services. ACIR maintains a growing information program. Periodically, Federal, State and local officials, leaders of public interest groups and other appropriate organizations across the country receive *Information Bulletins*, staff analyses of current issues; and the *Information Interchange Service*, a transmittal service excerpting and reprinting items of intergovernmental interest. During 1973, staff also launched a new information service, *Congressional Watch*, that follows congressional legislation and reports on action of interest to ACIR and its constituents. In addition, the staff publishes information reports—in-depth analyses of subjects of emerging interest—providing findings and general conclusions, but containing no recommendations. In all, staff released ten *Information Bulletins*, six *Interchanges*, four *Congressional Watches* and four information reports during the year.

To further strengthen the information program, Commission staff has begun to develop an information system to obtain news of State developments on a timely basis, round out the picture of developments in the field, and flag intergovernmental issues as they arise.

This was the basic framework for the ACIR work program in 1973, which covered seven substantive areas: revenue sharing; substate regionalism; property tax and school finance; municipal financial emergencies; local revenue

sources; taxation of out-of-state banks and transportation.

Revenue Sharing Monitor

When President Nixon signed the *State and Local Fiscal Assistance Act of 1972*, PL 92-512, on October 20, 1972, he asked ACIR to monitor the intergovernmental impact of this new departure in fiscal federalism. The Commission agreed and, in early 1973, assigned staff to the task.

The monitoring program has proceeded on three fronts: written but informal surveys of State, county and municipal officials at an early stage of implementation; two public hearings of officials and public interest groups; and a nationwide public opinion poll.

Survey. In February and early March, ACIR staff asked county and municipal officials questions in four areas: How will you spend the funds? How will revenue sharing affect tax levels during 1973? Are the expenditure strings a serious deterrent to the best allocation of funds? What about the temporary nature of the act? Staff asked State budget officers the same questions, plus one on the impact of revenue sharing on State assumption of local expenditures.

A large proportion of both State and local officials indicated they would use revenue sharing funds for non-recurring expenses including 15 of 31 State budget officers whose jurisdiction had decided on how to use the money; 61 of 75 county officials; and 35 of 51 local officials.

On the question of tax levels, nearly three-quarters of the budget officers responding said their States expected to use some revenue sharing money for programs that should result in property tax relief. Six budget officers indicated revenue sharing would permit an actual reduction in State taxes and nine be-

lied it would have a similar effect at the local level. Of the local officials, 21 county and 23 city officials looked forward to a halt in tax increases and 26 county officials to a slowdown in the rate of increase.

The officials did not consider expenditure strings a serious deterrent to the best allocation of funds. They did consider the temporary nature of the act a major influence in the decisions to use the money for non-recurring expenditures.

The State budget officers by a margin of 26 to 16 did not consider the fixed one-third—two-thirds allocation a serious deterrent to State assumption of a greater share of the fiscal responsibility for programs currently financed partly or entirely by local governments.

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Hearings. The Commission held two public hearings on general revenue sharing: a “pilot” hearing of Western officials and civic organization spokesmen, on June 21 in San Francisco; and a national hearing of State, county and municipal officials, on October 11, in Washington, D.C. Both hearings were designed as informal dialogues between the Commission members and the witnesses.

Six witnesses testified at the California hearing: a State legislative analyst, a county manager and a city manager, the director of the League of California Cities, the President of the California League of Women Voters and a spokesman of the California Taxpayers Association.

Three major themes emerged from this hearing:

- In general, local governments were planning to use revenue sharing funds more for one-time capital projects and States for tax relief and social programs;
- It was still far too early to get an accurate picture of how revenue sharing fits into the

overall scheme of intergovernmental fiscal systems or to evaluate its general impact; and

- The lack of hard-and-fast rules—the ambiguity of the “strings”—on the one hand, and the temporary nature of the five-year authorization for revenue sharing, on the other hand, created a dilemma for local officials who wanted to use the money for locally determined priorities but felt the need to “second-guess” the program’s Federal auditors.

By the time of the second hearing in October, revenue sharing had been around for nearly a year and State and local officials had greater experience with it. Any definitive evaluation of the program would have to await the experience of at least a few more years, but the proceedings demonstrated some of the initial worries were beginning to subside as new problems emerged.

Nineteen officials in five separate panels testified at the second hearing. They included two governors, a State legislative leader, five mayors, one mayor-county president, four county officials, and six State fiscal officers. Major points of their testimony included:

- Unanimous support for the concept of revenue sharing, but rather widespread disappointment that proposed reductions in Federal categorical aid had followed its enactment;
- The firm belief that although revenue sharing is very welcome as a new program, categorical grants should be continued as a mainstay of Federal aid;
- The fact that local governments were using revenue sharing funds increasingly for operating programs, not just for capital improvements, but that the uncertainty factor still caused the smaller localities to prefer non-recurring types of expenditures;
- A universal desire that revenue sharing be

made permanent, or at least renewed in the third or fourth year of the five-year act to increase certainty about the availability of future funds and flexibility in the use of the money;

- The assertion of some officials at every level of government that their need was most urgent, the proportion of services they performed was greater and, therefore, their allocation of revenue sharing monies should be higher;
- Disappointment among some that user charges—in many localities, the sole alternative to the property tax as a revenue source—are not included in the calculation of tax effort, and therefore, revenue sharing allotment;
- Fear that audit requirements could become onerous while conceding that most of the current restrictions placed on the use of revenue sharing funds present few problems;
- The undesirable necessity of limiting citizen participation in decisions on the use of revenue sharing because the funds were used just to maintain existing city services; and
- The need for restructuring local government to eliminate nonviable units, but the doubt that revenue sharing is the tool to accomplish this.

Public Opinion Poll. For the second time, the Commission, in May and June 1973, sponsored a public opinion poll to determine grass roots feelings on intergovernmental financial issues. This time, in addition to questions on Federal, State and local taxes, the poll asked questions on revenue sharing.

According to the survey, the public supports general revenue sharing by a large margin, although answers to another question raise the issue of whether they really understood the

principle of general revenue sharing.

The main revenue sharing question described the program as a new form of Federal aid in addition to monies for specific purposes. "Under this new program, State and local governments will receive \$5.5 billion this year to use as they think best. Do you favor or oppose this new revenue sharing form of Federal aid?"

The overall was:

Favor	56 percent
Oppose	18 percent
No opinion	26 percent

The survey also asked the people their opinion of the principle of revenue sharing: whether aid would be used more efficiently when given out for specific purposes or when given to State and local government to use "as they think best." They answered:

For specific purposes	48 percent
As they think best	30 percent
No opinion	22 percent

In addition to these questions, the poll repeated some of the questions on tax policies asked in the 1972 poll.

Here, the survey showed a marked change in public attitudes toward the local property tax and the Federal income tax, which nearly tied as the "least fair tax" in the eyes of the public in the second poll (31 percent saw property tax as least fair; 30 percent Federal income tax). In the first poll, local property tax was overwhelmingly dubbed the worst tax—45 percent called it "least fair"—while 19 percent had placed the Federal income tax in that category and 13 percent, State income and sales taxes.

In both 1973 and 1972, the public believed the Federal government gave the taxpayer the most for his tax dollars—35 percent of the survey sample favored the Federal government against 18 percent for State government, and 25 percent for local government in 1973. The 1972 poll showed 39 percent favoring the

Federal government, 18 percent State and 26 percent, local. The "don't knows" measured 22 percent in 1973 and 17 percent in 1972.

Both surveys were sponsored by the Commission but conducted by the Opinion Research Corporation of Princeton, New Jersey, which held personal interviews with more than 2,000 adults in their homes across the country.

Substate Regionalism

For three years, the Commission has been studying the complex issue of regionalism in America. In 1971, ACIR adopted a report on multi-state regionalism, mechanisms for dealing with problems overlapping State boundaries, which was published in 1972. Next, it took up substate regionalism—where new interjurisdictional mechanisms have been created to deal with areas that are smaller than States but larger than most cities and counties. During 1973 the Commission adopted recommendations for the first phase of this multi-stepped project and published two background volumes in what ultimately will be a six-volume report.

The issue of substate regionalism has arisen gradually over the past few decades as Federal, State and local governments have gone their own way to try to solve areawide problems in an areawide context. The general result of these uncoordinated actions has been a proliferation of governmental mechanisms within narrowly chartered and highly specialized program areas.

The missing ingredient in all but a handful of regions is an institutional arrangement with the capacity to link areawide planning with program implementation, to coordinate the diverse activities of separate districts having single-function planning and operating responsibilities—in short, to serve as an effective regional decision maker.

In these substate areas, the country now con-

fronts the dilemma of sorting out the roles, responsibilities and relationships between and among towns, cities and counties; over 600 regional councils of government dominated by city and county spokesmen; nearly 25,000 special districts and authorities (for transportation, natural resources, fire protection and other services); approximately 1,800 Federally encouraged regional districts under 19 grant programs (law enforcement, comprehensive health planning, transportation, waste treatment, and air pollution, among others); and 524 substate districts in 45 States that officially sponsor this regional system.

A typical metropolitan area is made up of 90 units including general and special purpose local governments, Federally encouraged districts (not governments), and a regional council or planning agency. The typical area would have:

- 2 counties
- 13 townships
- 21 municipalities
- 18 school districts
- 31 special districts
- 3 to 4 Federally supported areawide planning districts, and
- 1 regional council/A-95 clearinghouse (to review and comment on the areawide impact of certain Federal grant applications).

The UMJO Strategy. To coordinate these diverse bodies and develop an effective decision-making mechanism at the substate level, the Commission adopted a strategy building on areawide units—councils of government and regional planning commissions—that now exist in all metropolitan areas and over 300 non-metropolitan areas as well as on substate districting systems that already have been established in 44 States. This strategy emerges from five recommendations adopted

by ACIR at its June 1973 meeting. They will appear in Volume I of the report, slated for publication in early 1974.

At the heart of the strategy is a regional mechanism—dubbed an “umbrella multi-jurisdictional organization” or UMJO—composed largely of local officials to plan and make decisions in a variety of functional areas that have a regional impact. The five recommendations make seven basic points about these UMJOs:

- They would be multi-county organizations for decision making and planning, with operational potential.
- All regional programs of Federal and State government would use these mechanisms, which would have common boundaries.
- All local governments in the region would belong—but the UMJO would be controlled by elected local officials who would make up at least 60 percent of their voting membership. State government representatives would also serve on the UMJO policy board.
- On specific issues deemed important by any local governmental member, the UMJO would vote on a population-weighted basis.
- UMJOs would have the authority to resolve conflicts between regional plans and certain non-conforming State and local project proposals.
- They would have the authority to “review and approve” special district projects in the area and could become the districts’ policy boards or budget controlling agents.
- They would be financed jointly by Federal, State and local government.

This strategy is not an idealized dream of regionalism, but is rooted in the real world of substate development.

- Regional councils with A-95 review and

comment authority already exist in 212 metropolitan and 238 non-metropolitan areas.

- About two-thirds of the 517 substate districts established in 44 States now are organized and action is underway to organize more fully.
- The boundaries of eight of the most significant of the Federally encouraged districting programs coincide or are in harmony with those of the State-established substate districts in about 50 percent of the cases. The Federal government has relied on substate district organizations in more than one-third of the possible cases in these eight program areas.
- Approximately half of the regional councils already are the preferred unit for several of the Federally encouraged area-wide districting programs operating in their regions.
- Seven States have given review and approval authority over certain State projects to at least some of their regional councils.
- Four-fifths of the 3,800 city and county officials surveyed by ACIR agreed that regional councils should perform the duties of an “umbrella” agency, especially with regard to the activities of independent special districts.
- The Metropolitan Regional Council in Minnesota’s Twin Cities area and the Atlanta Regional Council along with as many as 10 percent of the other existing councils already possess many of the powers and functions proposed for an UMJO.

To help speed the implementation of this regional strategy, ACIR staff—in conjunction with State and local general government groups—has prepared draft State legislation to establish an Umbrella Multi-Jurisdictional

Organization. The "Statewide Substate Districting Act" is scheduled for circulation among the States early in 1974 and is planned as a major target of ACIR implementation efforts in the near future.

Local Government Reorganization. The substate regional chaos that led to the recommendations for UMJOs, in itself is a commentary on present inadequacies of local government functional and jurisdictional relationships. The Commission sees the need both for the establishment of UMJOs and for general local government realignment to bring the structure and function of units below the State level to a point where they can cope with the electorate's current and future servicing demands. Local government modernization is the subject of Volume III of the report, scheduled for consideration in February 1974.

Background studies for this volume indicate that, in general, the reorganization and modernization record has been more impressive than the casual observer might think—but less extensive than is necessary. Some recent developments, particularly at the county level merit attention:

- The manager or elected-executive forms of county government have enjoyed a rapid growth in urban counties in the past ten years, but four-fifths of all counties still are run by a commission without a single executive in charge.
- Urban services are emerging as county functions, but nearly 75 percent of all metropolitan county expenditures are still earmarked for traditional functions such as roads, corrections or hospitals.
- More city-county consolidations (11) took place between 1962 and 1972 than during the previous century and a half, but only one of every four attempts succeeded—and the bulk of these were in the South-east.

—Six States have established broad-gauged boundary control boards or commissions to expand municipal boundaries in an orderly fashion and slow the growth of new special districts and municipal incorporations—but, nationwide, formation of new special units still is burgeoning.

The Commission was scheduled to consider at its February 1974 meeting a package of proposed recommendations to modernize local government structure and function. Included in the tentative program would be policies on State standards for municipal incorporation, local government viability and annexation; State boundary commissions; reforming county government; regional home rule options; broadly representative, permanent State advisory commissions on intergovernmental relations; and consistent Federal actions.

Assignment of Functions. The third cluster of issues relating to substate regionalism also was scheduled for consideration by the Commission at its February 1974 meeting. These focus on the sensitive area of assignment of local government functions: should States adopt a plan or method for rationally allocating functions and responsibilities among cities, counties and regional units? Or is every situation so different that a sophisticated-enough plan would be impossibly complex and perhaps counter-productive? A hearing was held on this subject in October, a report of which is to be published as an appendix to the volume.

Partial funding for the research on this volume of the report was provided by a grant of \$82,000 from the Department of Health, Education and Welfare. It will be published as Volume IV of the six-volume substate regionalism report.

Background Volumes. In addition to these three volumes which will make policy recom-

mendations, another three volumes of this report will provide background and supplementary information on the general subject. So far two volumes have been published: Volume II, *Regional Governance: Promise and Performance*, case studies of Federal, State and local approaches to regional governance; and Volume VI, *ACIR Hearings on Substate Regionalism*, the report of public hearings held by the Commission in San Francisco in conjunction with its June meeting.

Volume II examines the regional experiences of Jacksonville-Duval County, Florida; Nashville-Davidson County, Tennessee; Miami-Dade County, Florida; Indianapolis-Marion County, Indiana; Atlanta, Georgia; the San Francisco Bay Area of California; Minneapolis-St. Paul, Minnesota; Sacramento, California; Portland, Oregon; Pittsburgh, Pennsylvania; New York City and 12 States.

Through these case studies, the volume evaluates the effectiveness of both traditional and innovative approaches to solving areawide problems, including the "urban" county, city-county consolidation, regional councils of local elected officials, UMJOs, and substate districts.

Volume VI reports on a half-day hearing, June 21 at the Federal Office Building in San Francisco. Most of the witnesses cited the need for a regional approach to some problems, but differed considerably in the scope and authority of any mechanism to carry it out. Included in the witness list were spokesmen for the California Council on Intergovernmental Relations; the Association of Bay Area Governments; the National Association of Regional Councils; the Puget Sound Governmental Conference; the Association of Oregon Counties; and the Southern California Association of Governments. Political Science Professor Victor Jones, a long-time advocate of strong regional measures, also testified.

Witnesses opposed to any form of substate regionalism were the national secretary of Statewide Committees Opposing Regional Planning Areas; a private citizen from Placer-ville, California; and a county supervisor from El Dorado County, California.

The final background volume in the substate series will be Volume V—*A Look to the North: Canadian Regional Experiences*. It will present seven case studies of innovative regional approaches taken in various Canadian provinces, for insights they might provide American States.

The Department of Housing and Urban Development provided a \$136,000 grant for research and publication of Volumes II and V as well as parts of Volumes I and III.

Property Tax Relief and School Financing

The Commission report *School Financing and Property Tax Relief—A State Responsibility* provides a good example of the implementation effort that follows Commission policy-making.

The Commission adopted the report in December 1972. A Report-in-Brief giving the conclusions and recommendations and highlighting the background information, was published in January. The full report, a 261-page document, followed several months later.

The Report. The President requested the Commission to evaluate a proposal that called for a major Federal role in funding intrastate school equalization and residential property tax relief, to be financed by a Federal value-added tax.

Neither financing education nor the property tax was a new subject area for ACIR. In 1963, the Commission produced a two-volume report on *The Role of the States in Strengthening the*

Property Tax, making 29 recommendations for improvements in the administration of that levy. In 1969, the ACIR report *State Aid to Local Government* urged States to assume as a long-range goal substantially full financial responsibility for the support of public elementary and secondary education.

In the new report, the Commission, in essence, reaffirmed the principles enumerated in the earlier reports, that intrastate school-finance equalization and property tax relief are State—not Federal—responsibilities. It made five recommendations.

- The interests of our federal system are best served when States retain primary responsibility for shaping policies dealing with general property tax relief and intrastate equalization of school finances—two areas that traditionally have been within the exclusive domain of State policy-makers;
- States should shield basic family income from undue burdens imposed by the property tax;
- States should strengthen assessment administration and thereby make the property tax a more effective and equitable revenue instrument for local government;
- The reduction of fiscal disparities among school districts within a State is a State responsibility; and
- Because of these findings and recommendations, there is no need to enact a Federal value-added tax to provide revenue for property tax relief and to ameliorate fiscal disparities among school districts within each State; therefore such a tax should not be enacted for this purpose.

School Cases. One of the developments that had brought the issue of school finance and property tax relief to the forefront of public consciousness was a series of State and Federal court decisions that held school-financing

systems unconstitutional if the wealth of a child's parents or neighbors determined the level of funding of his school district—the case under most systems heavily financed with local property tax revenue. One suit was taken to the U.S. Supreme Court, *Rodriquez v. the San Antonio (Texas) School District*. In March 1973, in a 5-4 decision, the Supreme Court turned down *Rodriquez*.

This decision, in the Commission's view, places an even stronger charge on the States to equalize education financing, provide property tax relief to those families overburdened by it and make the tax more equitable for everyone. And the States responded with a surge of action on equalization in 1973.

Property Tax Burdens. ACIR found that property tax is not equally burdensome to all American families—in fact it is less onerous than other taxes for many middle and upper-income families. But the property tax does weigh heavily on a certain segment of the population—poor families, particularly those on fixed incomes.

Circuit-Breaker. In the late sixties, following similar findings on the property tax burden in earlier ACIR reports, ACIR staff began to develop a program for State-financed relief for families that have to pay an excessive portion of their incomes to the property tax collector.

The plan was called the "circuit-breaker," getting its name from the electric device that cuts off electricity when the circuit is overloaded. Circuit-breaker property tax relief cuts in when the property tax burden reaches a percentage of family income that the State considers an "overload." It is based on pioneering statutes in Wisconsin (1963), Minnesota (1967) and Vermont (1969).

In its classic form, the circuit breaker is part of the State income tax process—although it is administered separately in several States. The

State legislature determines the percentage of family income deemed excessive for property tax. Usually some form of income ceiling is placed on participants so the State won't end up supporting the mansions of elderly rich widows or widowers. Because owners pass on property tax to their tenant, more and more circuit-breakers are including renters by attributing a certain percentage of rent to the property tax.

When property tax time comes around, the participant merely files for an income tax credit—or more frequently a cash rebate—for the amount of property tax overburden.

ACIR considers it essential that the State finance the property tax relief program because of the limits on local government revenue sources and the desperate fiscal straits in which local governments generally find themselves. The Commission considers the circuit-breaker approach a flexible, easily administered, inexpensive but effective program to provide relief.

As it finished the report on *Financing Schools and Property Tax Relief—A State Responsibility*, ACIR saw the timeliness of the circuit-breaker. Therefore, staff prepared an “action packet” describing the program: why it was needed, how much it was costing States that had adopted it, and how it could be tailored to meet the needs of most States. It included copies of model legislation and other material. These packets were distributed to key legislators, State budget officials, and government associations and civic group leaders in States with no current programs or programs ACIR considered in need of improvement. And the program caught on.

On January 1, 1973, 13 States had circuit breaker programs. By July 1, 21 had adopted them. Less than half the States financed any kind of property tax relief program on January 1; 31 were doing so by July 1. And by July 1,

every State in the Union had some form of property tax relief, up from 45 in January.

Assessment Practices. Movement is much slower on improving assessment practices to make the property tax fairer. The political reasons behind this are obvious.

As part of the overall property tax package adopted in December 1972, the Commission directed the staff to report on progress in State implementation of the 29 recommendations of 1963 (*Strengthening the Role of the States in the Property Tax*). By the end of 1973, the staff had prepared a progress report on developments during the decade. It noted considerable progress has been achieved in this delicate political area—although not without some backsliding in a few States.

To try to stimulate more action at legislative sessions in 1974, staff prepared an “action packet” on property tax assessment reform which was distributed late in December 1973.

Value-Added Tax. As part of the school finance—property tax relief study, the staff researched issues relating to a Federal value-added tax (VAT).

The United States has never had a Federal value-added tax, although several European countries now make use of this form of levy, and the State of Michigan at one time had a tax similar to a value-added tax.

VAT usually takes one of three forms: income, gross product or consumption. The most common variant—the consumption value-added tax—would be similar to a national sales tax.

From the standpoint of intergovernmental relations, a Federal consumption-type value-added tax has two drawbacks:

1. It is viewed, rightly or wrongly, as an intrusion on the State-local use of the sales tax.
2. It cannot readily be coordinated with the retail sales tax of States and localities.

It does not necessarily follow, however, that because of these "strikes," the Federal VAT is necessarily "out." There are distinct advantages to the consumption form of value-added tax, though these do not seem to be in the area of intergovernmental fiscal relations. Equally important, there are economic, social, and intergovernmental cons against alternative sources of Federal revenues. What does seem clear at this point is that a Federal value-added tax is not a "natural" in terms of its intergovernmental consequences.

The staff study of *VAT and Alternative Sources of Federal Revenue* for school support and property tax relief was published as an information report in 1973.

Expenditure Tax. As a further alternative to a Federal value-added tax, the staff explored the feasibility of a Federal expenditure tax as an additional revenue source.

The expenditure tax resembles the income tax but taxes the amount of money a person spends rather than the amount he earns. It is levied directly on the taxpayer, involving individual taxpayer returns, exemptions and deductions. It can provide for progressive rates.

The expenditure tax study also was scheduled for publication as an information report.

Financial Emergencies of Cities

A 15-month study of financial emergencies in cities, conducted by the Commission under a Ford Foundation grant revealed the need for improved financial management in the nation's largest cities.

A survey of 30 major cities, conducted in conjunction with the report, found these municipalities in no immediate danger of going bankrupt. Unfunded local pension plans, however, may constitute a fiscal time bomb ticking away in some cities.

Three main factors contribute to the skyrocketing cost of local pension funds: pay increases now for local employees mean higher pensions later; many collective bargaining agreements include substantially better pension arrangements; and increasing numbers of employees are retiring early. But in many cities, these rising costs are not being figured in when retirement contributions are estimated.

The Commission called on the States to institute strict regulation of locally-administered pension systems or consolidate all local systems in one State-administered plan.

In addition, the Commission recommended:

- That each State designate or establish a single State agency responsible for improvement of local financial management functions; and that the agency be responsible for early detection of financial problems to prevent local financial crises;
- That each State establish a set of guidelines to determine when the financial condition of local government necessitates State intervention and to set up procedures for carrying out remedial action;
- That States regulate the use of short-term operating debt which carries beyond the end of the fiscal year, because the inability of local governments to pay such loans can be an important precipitating factor in financial emergencies; and
- That Federal actions in this area include situations in which interstate considerations require use of the Federal Bankruptcy Laws and that the Federal government update this law to clarify its meaning for local governments.

Local Revenue Sources

In one of its earliest reports, in 1961, *Local Non-Property Taxes and the Coordinating Role of the State*, ACIR offered a set of

general guidelines essentially opposing local use of income or sales taxes.

The rationale was several-fold: the Commission thought that a few locally financed major functions (education and welfare, for example) should be the responsibility of the States, urged that States take on their rightful duties, and feared that local imposition of sales or income taxes would undercut State revenue potential; the Commission anticipated that it would be difficult for localities—especially smaller jurisdictions—to administer income or sales taxes properly; and it feared that local use of these taxes would accentuate inter-local tax effort and public service differentials.

Twelve years passed since this report was adopted. The Commission now re-examines its policy on this subject in light of additional experience that shows that:

- The States have not moved dramatically to expand their functional responsibilities, although some progress is noted in a few areas.
- Piggy-backing local non-property taxes on State taxes avoids heavy compliance and administrative costs.
- Public opinion polls indicate that the property tax is considered to be the least fair tax and that most people view this tax as “too high” already.
- Local governments increasingly confront State-imposed restraints on their revenue-raising abilities.

The Commission was scheduled in February 1974 to consider revising its policy position on local revenue sources in light of these developments.

Bank Tax Study

Until 1969, States were restricted in their powers to tax national banks, and therefore they generally refrained from the taxation of

competing State-chartered banks and other financial institutions. Public Law 91-156 of 1969 permitted a State to tax national banks under the same rules that it used in taxing State-chartered banks. The Senate Committee on Banking, Housing, and Urban Affairs subsequently became concerned about the taxation of out-of-state depositories and the possibility that inequities and hindrances to the interstate flow of funds may result when two or more States with jurisdiction to tax the same base use different rules and require different kinds of reports and records. It called for a special study of the application of State and local taxes measured by net income, gross receipts or capital stock and other “doing business” taxes on out-of-State commercial banks, mutual savings banks, and saving and loan associations.

Congress directed ACIR to make the study and formulate recommendations. Congress appropriated \$186,000 for this study and directed that it be completed by the end of 1974.

Metropolitan Transportation Study

The Commission has entered into a contract with the Department of Transportation to study the planning and development of metropolitan transportation systems.

The study, well underway at the end of the year, is probing the requirements for balanced transportation systems in metropolitan areas and the means to attain all the components needed. It is looking into new aspects of intergovernmental relationships in transportation, such as the new funding flexibility of the Highway Trust Fund, the general trend toward broadening Federal aid and the use of new intergovernmental coordination devices. It is also examining alternative methods of

transportation administration at the metropolitan level.

Regular Features

State-Local Finances. The Commission staff periodically publishes a fiscal encyclopedia titled *State and Local Finances: Significant Features*. This information report is a compilation of statistical tabulations from ACIR studies and other sources that serves as a handbook on State-local fiscal systems. A 1973-74 edition has been prepared for publication early in 1974. It is envisioned as a biennial publication in the future to coincide with State fiscal activities, and in the interest of economy. The 1973-74 volume contains a substantial expansion of information on the property tax.

State Action on Local Problems—1972. Commission staff monitors State actions to meet their responsibilities as the “legal parents” of their counties and cities, and publishes an annual progress report.

The 1972 edition, distributed in 1973, described action on strengthening local government through home rule, new jurisdictional options, interlocal cooperation and consolidation; assisting in specific program areas, including law enforcement, health, housing, education, welfare, transportation, relocation and public labor-management relations; resolving areawide problems, such as substate districts, developmental policies, land use and preserving environmental quality; improving State and local revenue systems; and constitutional revision.

During the latter part of 1973, staff was preparing an expanded version of *State Action on Local Problems—1973*, for publication in early 1974.

appendixes

APPENDIX A

permanent staff

MacDougall, Wm.R., Executive Director
Walker, David B., Assistant Director
Shannon, F. John, Assistant Director

Bailey, Beverly J., Secretary
Berney, Robert E., Academic Resident in Public Finance
Biggs, Elsie A., Secretary
Bosek, Ruth A., Intern
Bowman, John H., State Government Resident in Public Finance
Callahan, John J., Senior Analyst
Carvan, Margaret R., Intern
Clarke, Lavinia B., Secretary
Davis, Marinda T., Secretary
Evans, Bernard C., Duplicating Machine Operator
Fried, Esther, Administrative Officer
Gabler, L. Richard, Senior Analyst
Gambill, John D., Research Assistant
Gansel, Jean M., Research Assistant
Hahn, Thomas D., Accountant
Harris, William T., Intern
Jensen, Dwight E., State-Local Services Director
Martinez, Linda S., Secretary
McDowell, Bruce D., Senior Analyst
Minnis, Helen L., Secretary
Monical, Carol J., Librarian
Myers, Will S., Senior Analyst
Ross, Ronald L., Mail Room Supervisor
Roberts, Diana M., Production Manager
Ryburn, Mary E., Secretary to the Executive Director
Smith, Betty W., Secretary
Stanfield, Rochelle L., Information Officer
Steinko, Franklin A., Assistant to the Executive Director
Stenberg, Carl W., Senior Analyst
Tanaka, Toshiko, Receptionist
Thomas, Gloria K., Secretary
Tippett, Francis X., Statistician
Ward, Gloria D., Secretary
White, Muriel J., Secretary

APPENDIX B

official consultants

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- Albert J. Abrams**, Secretary of the New York State Senate, Albany, New York
- William Anderson**, Professor Emeritus of Political Science, University of Minnesota, Minneapolis, Minnesota
- Frank Bane**, former Chairman of ACIR, Washington, D.C.
- John E. Bebout**, State Program Director, Institute for Urban Studies, University of Houston, Houston, Texas
- George C. S. Benson**, Director, Henry Salvatori Center and President Emeritus, Claremont College, Claremont, California
- John C. Bollens**, Professor of Political Science, University of California, Los Angeles, California
- George Break**, Professor of Economics, University of California, Berkeley, California
- Frank L. Britt**, Executive Manager, Toledo Area Governmental Research Association, Toledo, Ohio
- Alan K. Campbell**, Dean, The Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University, Syracuse, New York
- Arnold Cantor**, AFL-CIO, Washington, D.C.
- William N. Cassella**, Executive Director, National Municipal League, New York, New York
- William G. Colman**, Governmental Consultant, Potomac, Maryland
- Charles F. Conlon**, Executive Director, Federation of Tax Administrators, Chicago, Illinois
- William L. Day**, Director of Research, Illinois Legislative Council, Springfield, Illinois
- L. Laszlo Ecker-Racz**, Consultant, Arlington, Virginia
- Daniel J. Elazar**, Professor of Political Science and Director, Center for the Study of Federalism, Temple University, Philadelphia, Pennsylvania
- Neely Gardner**, Professor of Public Administration, University of Southern California, Los Angeles, California
- C. Lowell Harriss**, Professor of Economics, Columbia University; Economic Consultant, Tax Foundation, Inc., New York
- Lawrence Howard**, Dean, University of Pittsburgh, Pittsburgh, Pennsylvania
- Victor Jones**, Professor of Political Science, University of California, Berkeley, California
- Richard Leach**, Professor of Political Science, Duke University, Durham, North Carolina
- Eugene C. Lee**, Director, Institute of Governmental Studies and Professor of Political Science, University of California, Berkeley, California
- Carl H. Madden**, Chief Economist, Chamber of Commerce of the United States, Washington, D.C.
- James Maxwell**, Professor Emeritus, Department of Economics, Clark University, Worcester, Massachusetts
- Arthur Naftalin**, Professor, School of Public Affairs, University of Minnesota, Minneapolis, Minnesota
- Oliver Oldman**, Professor of Law, Harvard School of Law, Cambridge, Massachusetts
- James A. Papke**, Professor of Economics, Purdue University, Lafayette, Indiana
- Joseph A. Pechman**, Director of Economic Studies, The Brookings Institution, Washington, D.C.
- Carl Pforzheimer, Jr.**, New York City, New York
- Frank Schiff**, Vice President and Chief Economist, Committee for Economic Development, Washington, D.C.
- James L. Sundquist**, Senior Fellow, The Brookings Institution, Washington, D.C.
- Mabel Walker**, Consultant, Milford, New Jersey
- George H. Watson**, Dean of the College of Arts and Sciences, Roosevelt University, Chicago, Illinois
- Murray L. Weidenbaum**, Professor of Economics, Washington University, St. Louis, Missouri
- Joseph F. Zimmerman**, Professor of Political Science, State University of New York, Albany, New York

APPENDIX C

financial support

From its inception, the Commission has relied primarily on congressional appropriations for its financial support. Until 1966, in fact, the Commission was not empowered to receive funds from non-Federal sources. However, in that year, following joint hearings by the House and Senate Subcommittees on Intergovernmental Relations which reviewed the Commission's activities and accomplishments during its first five years of operation, Public Law 89-733 was enacted. Among other things, it authorized the Commission to accept contributions from State and local governments and organizations thereof, and from non-profit organizations, including private foundations.

Accordingly, starting in fiscal year 1968, the Commission invited State governments to make annual token contributions to ACIR. A year later, a limited number of large cities were also invited to contribute. In 1973, large counties also were invited to make token contributions. A total of 26 States and eight cities and counties contributed \$26,000 to ACIR in fiscal year 1973.

The Commission receives about \$5,000 a year from miscellaneous nonprofit organizations. For the most part, this money represents contributions in lieu of honoraria to

ACIR staff members who address or participate in conferences sponsored by these organizations.

In fiscal year 1973, the Commission received funds from other Federal Agencies in connection with projects that tie in closely with ongoing Commission research. New projects were funded by Federal agencies in the amount of \$100,000; the largest being grants from the Domestic Council to monitor revenue sharing and from the American Revolution Bicentennial Commission to outline a series of forums on federalism, each in the amount of \$29,000. Other grants came from the Department of Housing and Urban Development, to help underwrite the printing of the six-part report on substate regionalism; and the Department of Health Education and Welfare, for completion of a project analyzing the delivery of services under the Allied Health Services Act.

As a matter of Commission policy, State and local and miscellaneous contributions are used to supplement and strengthen ACIR services to State and local governments. Grant funds are used for consultants and temporary personnel to carry out the specific research projects for which the funds are granted.

APPENDIX D

consolidated statement

Object Classification	FY 1973 Actual (thousands of dollars)	FY 1974 Estimated (thousands of dollars)
Personnel Compensation	671	785
Personnel Benefits (retirement, health, insurance, FICA)	53	65
Travel and Transportation	54	59
Rent, Utilities and Communications	99	89
Printing and Reproduction	58	119
Other Services	207	205
Supplies, Materials	16	15
Equipment	3	7
	1,161 ¹	1,344 ²

¹Includes \$234,000 from other Federal agencies, and \$38,000 from non-Federal sources.

²Includes \$134,000 from other Federal agencies, and \$98,000 from non-Federal sources.

ACIR publications

REPORTS PUBLISHED IN 1973

**The Value-Added Tax and Alternative Sources of Federal Revenue*. ACIR Report M-78. August 1973. 86 pp. \$1.15. Deals with the value-added tax as a potential new source of Federal government revenue. In two parts, the first analyzes the value-added tax; the second covers alternative sources of additional Federal revenue.

**State Action on Local Problems—1972*. ACIR Report M-77. April 1973. 45 pp. \$.70. Information and reference report summarizing selected State constitutional and legislative actions during 1972 that were directed toward local units of government, particularly those in urban areas.

***Striking a Better Balance: Federalism in 1972*. Fourteenth Annual Report. ACIR Report M-76. January 1973. 74 pp. (N.T.I.S. Order No. PB-224972.)

Hearings on Substate Regionalism. Volume VI of *Substate Regionalism and the Federal System*. ACIR Report A-43a. October 1973. 63 pp. The report of public hearings held by the ACIR in San Francisco, California in conjunction with its June 1973 meeting.

**City Financial Emergencies: The Intergovernmental Dimension*. ACIR Report A-42. July 1973. 186 pp. \$2.25. A 15-month study of financial emergencies in the nation's largest cities. A survey of 30 major cities found these municipalities in no immediate danger of bankruptcy, but several cities facing trouble in maintaining balance in their operating budgets. The study focuses on the problem of maintaining city governments as functioning financial organisms fulfilling their traditional role as effective institutions for social change.

**Regional Governance: Promise and Performance*. Volume II of *Substate Regionalism and the Federal System*. ACIR Report A-41. May 1973. 356 pp. \$3.45. Nearly two dozen

case studies evaluating the effectiveness of both traditional and recent approaches to solving areawide problems. The first volume to be released in the Commission's six-volume substate regionalism report.

**Financing Schools and Property Tax Relief—A State Responsibility*. ACIR Report A-40. January 1973. 272 pp. \$2.50. Findings and recommendations after a year-long study by ACIR of the property tax burden and intrastate school finance equalization. Discusses whether the States have the capacity to alleviate these problems and whether they are likely to remedy the situation on their own initiative. Also questions the role of the Federal government should play, if any.

Revenue Sharing and Taxes: A Survey of Public Attitude. ACIR Report S-2. 8 pp.

Public Opinion and Taxes. A survey. ACIR Report S-1. 19 pp.

(Currently Available)

Policy Reports

**Multistate Regionalism*. ACIR Report A-39. April 1972. 271 pp. \$2.00.

**State-Local Relations in the Criminal Justice System*. ACIR Report A-38. August 1971. 308 pp. \$2.25.

**Federal Approaches to Aid State and Local Capital Financing*. ACIR Report A-37. September 1970. 71 pp. \$.75.

**Making the Safe Streets Act Work: An Intergovernmental Challenge*. ACIR Report A-36. September 1970. 78 pp. \$1.00.

**Labor-Management Policies for State and Local Government*. ACIR Report A-35. September 1969. 263 pp. \$2.00.

**State Aid to Local Government*. ACIR Report A-34. April 1969. 105 pp. \$1.00.

**Intergovernmental Problems in Medicaid*. ACIR Report A-33. September 1968. 122 pp. \$1.25.

**Urban and Rural America: Policies for Future Growth.* ACIR Report A-32. April 1968. 186 pp. \$1.50.

**Fiscal Balance in the American Federal System.* ACIR Report A-31. October 1967. Vol. I, 385 pp. \$2.50. Vol. II, *Metropolitan Fiscal Disparities*, 410 pp. \$2.25.

State-Local Taxation and Industrial Location. ACIR Report A-30. April 1967. 114 pp. \$1.60.

**Building Codes: A Program for Intergovernmental Reform.* ACIR Report A-28. January 1966. 103 pp. \$1.60.

Federal-State Coordination of Personal Income Taxes. ACIR Report A-27. October 1965. 204 pp.

State-Federal Overlapping in Cigarette Taxes. ACIR Report A-24. September 1964. 62 pp.

Statutory and Administrative Controls Associated with Federal Grants for Public Assistance. ACIR Report A-21. May 1964. 108 pp.

Industrial Development Bond Financing. ACIR Report A-18. June 1963. 96 pp.

Apportionment of State Legislatures. ACIR Report A-15. December 1962. 78 pp.

Intergovernmental Responsibilities for Water Supply and Sewage Disposal in Metropolitan Areas. ACIR Report A-13. October 1962. 135 pp.

Local Nonproperty Taxes and the Coordinating Role of the State. ACIR Report A-9. September 1961. 68 pp.

Intergovernmental Cooperation in Tax Administration. ACIR Report A-7 (Summary). October 1965. 14 pp.

State and Local Taxation of Privately Owned Property Located on Federal Areas. ACIR Report A-6 (Summary). August 1965. 17 pp.

Investment of Idle Cash Balances By State and Local Governments. ACIR Report A-3

(Summary). August 1965. 23 pp.

Coordination of State and Federal Inheritance, Estate, and Gift Taxes. ACIR Report A-1. January 1961. 134 pp.

Information Reports

**State Action on Local Problems—1971.* ACIR Report M-75. April 1972. 24 pp. \$1.40.

**State-Local Finances: Significant Features and Suggested Legislation. 1972 Edition.* ACIR Report M-74. 420 pp. \$3.00.

***Federalism in 1971: The Crisis Continues.* Thirteenth Annual Report. ACIR Report M-73. February 1972. 50 pp. (N.T.I.S. Order No. PB 224971.)

**Profile of County Government.* ACIR Report M-72. December 1971. 148 pp. \$1.25.

***The New Grass Roots Government? Decentralization and Citizen Participation in Urban Areas.* ACIR Report M-71. January 1972. 21 pp. (N.T.I.S. Order No. PB 224939.)

**Special Revenue Sharing: An Analysis of the Administration's Grant Consolidation Proposals.* ACIR Report M-70. December 1971. 63 pp. \$1.40.

**Who Should Pay for Public Schools?* ACIR Report M-69. October 1971. 44 pp. \$1.35.

**In Search of Balance—Canada's Intergovernmental Experience.* ACIR Report M-68. September 1971. 123 pp. \$1.25.

New Proposals for 1972: ACIR State Legislative Program. ACIR Report M-67. August 1971. 98 pp.

**Prosecution Reform.* ACIR Report M-66. September 1971. 9 pp. \$1.25.

**Police Reform.* ACIR Report M-65. August 1971. 30 pp. \$1.40.

**Correctional Reform.* ACIR Report M-64. August 1971. 13 pp. \$1.30.

**Court Reform.* ACIR Report M-63. July

1971. 31 pp. \$.35.

**County Reform*. ACIR Report M-61. April 1971. 31 pp. \$.40.

**State Action on Local Problems—1970*. ACIR Report M-60. April 1971. 14 pp. \$.35.

Federalism in 1970. Twelfth Annual Report. ACIR Report M-59. January 1971. 25 pp.

**Measuring the Fiscal Capacity and Effort of State and Local Areas*. ACIR Report M-58. March 1971. 209 pp. \$1.75.

**A State Response to Urban Problems: Recent Experience Under the "Buying-In" Approach*. ACIR Report M-56. December 1970. 20 pp. \$.35.

**State Involvement in Federal-Local Grant Programs—A Case Study of the "Buying-In" Approach*. ACIR Report M-55. December 1970. 71 pp. \$.70.

**Revenue Sharing—An Idea Whose Time Has Come*. ACIR Report M-54. December 1970. 29 pp. \$.30.

New Proposals for 1971. ACIR State Legislative Program. ACIR Report M-53. November 1970. 45 pp.

**The Commuter and the Municipal Income Tax*. ACIR Report M-51. April 1970. 32 pp. \$.25.

***Eleventh Annual Report*. Features a 10-year review of major developments in the American federal system. ACIR Report M-49. January 1970. 88 pp. (N.T.I.S. Order No. PB-189668.)

1970 Cumulative ACIR State Legislative Program. ACIR Report M-48. August 1969. 524 pp.

**Urban America and the Federal System*. ACIR Report M-47. October 1969. 140 pp. \$1.25.

**Federalism and the Academic Community: A Brief Survey*. ACIR Report M-44. March 1969. 55 pp. \$.60.

***Sources of Increased State Tax Collec-*

tions: Economic Growth vs. Political Choice. ACIR Report M-41. October 1968. 19 pp. (N.T.I.S. Order No. PB-180767.)

***State Legislative and Constitutional Action on Urban Problems in 1967*. ACIR Report M-38. May 1968. 29 pp. (N.T.I.S. Order No. PB-178982.)

***Metropolitan Councils of Government*. ACIR Report M-32. August 1966. 69 pp. (N.T.I.S. Order No. PB-178981.)

***Catalogs and Other Information Sources on Federal and State Aid Programs: A Selected Bibliography*. ACIR Report M-30. June 1967. 26 pp. (N.T.I.S. Order No. PB-178980.)

State Technical Assistance to Local Debt Management. ACIR Report M-26. January 1965. 80 pp.

Performance of Urban Functions: Local and Areawide. ACIR Report M-21. September 1963. 281 pp.

Factors Affecting Voter Reactions to Governmental Reorganization in Metropolitan Areas. ACIR Report M-15 (Summary). May 1962. 80 pp.

Other Reports Available From ACIR

Public Opinion and Taxes. Survey of public attitudes toward property taxes, proposed value-added tax, and related matters of fiscal policy. May 1972. 19 pp.

10-Year Record of the ACIR. Joing hearing before the Intergovernmental Relations Subcommittees of the House and Senate Committees on Government Operations, 92nd Congress, 1st Session. November 1971. 118 pp.

Unshackling Local Government (Revised Edition). Survey of proposals by ACIR. 24th Report by the House Committee on Government Operations, 90th Congress, 2nd Session. April 1968. 71 pp.

Five-Year Record of ACIR and Its Future Role. Joint hearings before the Subcommittees on Intergovernmental Relations of the Senate and House Committees on Government Operations, 89th Congress, 1st Session. May 1965. 257 pp.

The Final Report of the Commission on Intergovernmental Relations (Kestnbaum Report). U.S. House of Representatives, Committee on Government Operations, House Document No. 198, 84th Congress, 1st Session. June 1955. 311 pp.

Hearing Before the Advisory Commission on Intergovernmental Relations on Intergovernmental Problems in Medicaid. September 1968. 29 pp.

*Publications marked with an asterisk may be purchased directly from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

**To order publications marked with a double asterisk, write directly to the National Technical Information Service, Springfield, Virginia 22151, giving PB number. Paper copies \$6.00. Microfiche (4" x 6" sheets) 95 cents.

As the supply permits, single copies of most publications listed may be obtained without charge from the Advisory Commission on Intergovernmental Relations, Washington, D.C. 20575.

commission members 1973

PRIVATE CITIZENS

Robert E. Merriam, Chairman, Chicago, Illinois

Robert H. Finch, Los Angeles, California¹

Vacancy²

MEMBERS OF THE UNITED STATES SENATE

Ernest F. Hollings, South Carolina³

Edmund S. Muskie, Maine

Charles H. Percy, Illinois

MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

L. H. Fountain, North Carolina

Al Ullman, Oregon

Clarence J. Brown, Jr., Ohio⁴

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Kenneth R. Cole, Jr., Executive Director, The Domestic Council

George P. Shultz, Secretary of the Treasury

Caspar W. Weinberger, Secretary of Health, Education and Welfare⁵

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MAYORS

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Richard G. Lugar, Vice Chairman, Indianapolis, Indiana

Jack D. Maltester, San Leandro, California

John D. Driggs, Phoenix, Arizona

STATE LEGISLATIVE LEADERS

B. Mahlon Brown, Senator, Nevada

Robert P. Knowles, Senator, Wisconsin

Charles F. Kurfess, Minority Leader, Ohio House of Representatives⁸

ELECTED COUNTY OFFICIALS

Conrad M. Fowler, Shelby County, Alabama

Edwin G. Michaelian, Westchester County, New York

Lawrence K. Roos, St. Louis County, Missouri

¹ Appointed 5/29/73 to replace Edward C. Banfield, U. of Pennsylvania.

² Vacancy created by resignation of Howard H. Callaway, Pine Mountain, Georgia.

³ Appointed 2/20/73 to replace Senator Sam J. Ervin, North Carolina.

⁴ Replaced Congresswoman Florence P. Dwyer, New Jersey.

⁵ Replaced George H. Romney, former Secretary of HUD.

⁶ Replaced Ronald Reagan, Governor of California.

⁷ Replaced Richard B. Ogilvie, former Governor of Illinois.

⁸ Replaced Russell W. Arrington, former State Senator, Illinois.

what is acir?

The Advisory Commission on Intergovernmental Relations (ACIR) was created by Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. ACIR is a permanent national bipartisan body representing the executive and legislative branches of Federal, State and local government and the public.

Of the 26 Commission members, nine represent the Federal government, 14 represent State and local governments and three represent the general public. Twenty members are appointed by the President. He names three private citizens and three Federal executive officials directly and selects four governors, three State legislators, four mayors and three elected county officials from slates nominated, respectively, by the National Governors' Conference, the Council of State Governments, the National League of Cities/U.S. Conference of Mayors, and the National Association of Counties. The other six are Members of Congress—three Senators appointed by the President of the Senate and three Representatives appointed by the Speaker of the House. Commission members serve two-year terms and may be reappointed. The Commission names an Executive Director who heads the small professional staff.

After selecting specific intergovernmental issues for investigation, ACIR follows a multi-step procedure that assures review and comment by representatives of all points of view, all affected levels of government, technical experts and interested groups. The Commission then debates each issue and formulates its policy positions. Commission findings and recommendations are published and draft bills and executive orders are developed to assist in implementing ACIR policies.

