A New Approach to Coordinated Transportation
Dear Reader:

As a part of our continuing responsibility to bring to the attention of appropriate policymakers at various levels of government important issues of the day, we are inaugurating with this issue of Intergovernmental Perspective another of our communication services. The goal of our new quarterly magazine is to capture some of the best thinking and most important trends in intergovernmental relations. We will concentrate on a different topic in each issue, hopefully succinctly, readably, and usefully.

In addition to a lead article in a major policy area, the publication will offer a group of regular features including a section called "Washington Watch" which will provide up-to-date information on happenings in the Congress and in Federal agencies which have a direct intergovernmental impact and concern; a section called "A Fiscal Note" which will feature an analysis of new ACIR financial statistics; and a publication section called "And Briefly: Books" which will provide capsule descriptions of recently released books in the field of intergovernmental relations. In addition, Intergovernmental Perspective will contain a regular feature describing ACIR's continuing activities, studies released, and preliminary findings of studies underway, in a section titled "ACIR News."

Transportation is the theme of this inaugural issue of Intergovernmental Perspective which highlights ACIR's recent findings and recommendations as well as describes current activities to coordinate transportation planning and implementation in the Twin Cities, Chicago, and the State of Maryland.

Your comments on topics discussed, and to be discussed, will be welcome. This publication has but one purpose—to stimulate thought and action designed to perfect a unique federal system of government.

Robert E. Merriam  
Chairman
Letter from the Chairman

Washington Watch

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

A New Approach to Coordinated Transportation

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

Federal Role

State Role

Local Role

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

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

ACIR News

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

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

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

And Briefly: Books

The County Year Book—1975
Toward More Balanced Transportation
American Federalism: Toward a More Effective Partnership
1975 Changing Public Attitudes on Governments and Taxes
The Politics of Neglect

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Domestic Council
To Hold Hearings

The Domestic Council will hold a series of field hearings across the country this fall to solicit views of and suggestions from state and local officials and private citizens on domestic policies.

The first hearing is scheduled for October 21 in Denver. At least five more hearings have been scheduled across the country through early December.

A White House spokesman described the hearings as "a means to get a sense of the public's mood, its priorities, and its ideas for solutions to problems." Vice President Rockefeller will conduct the hearings which are being coordinated by John G. Veneman, counselor to the Vice President and former Under Secretary of HEW.

"We're trying to find out what's real and what can happen in the real world and what isn't possible," said Veneman upon announcing the hearings.

Although the hearings will be flexible in nature and will include a variety of domestic issues, social programs including welfare, food stamps, housing subsidies, Social Security, unemployment insurance, Medicare, and Medicaid are expected to be a major concern. These programs now make up more than one third of the total Federal budget.

Supplemental Security Income
Program Makes News, Gets Review

There were some early problems with the Supplemental Security Income program, said James B. Cardwell, Commissioner of Social Security, in recent testimony before the House Subcommittee on Public Assistance.

But, he concluded, "We have a successful program in operation today."

A few weeks later, headlines splashed across newspapers and words clattering over wire service tickers disagreed with his conclusion: $403.7 million in overpayments had been sent out in the past year and a half as part of the program, they said. Of this total, estimates were made that only 22 percent could ever be recovered.

The Social Security Administration says 30 states owe it $206 mil-

lion as their share of costs. Yet some of the states think this amount is inflated by overpayments and other mistakes in computations.

Much of the misunderstanding between Federal and state governments results from the fact that 32 states give their public assistance recipients a higher level of assistance by providing state supplementation of the Federal floor. Since both floor and supplement are sent in one payment to the recipient from the Social Security Administration, those states that provide supplemental money must reimburse the Federal government in the amount of their supplement. States claim these amounts have been inflated by mistakes at the Federal level which they feel they should not pay. An HEW audit is underway to determine who owes what to whom.

The program, which went into effect in January 1974, established for the first time in this country a wholly Federally financed and administered program of aid for the aged, blind, and disabled. The Social Security Administration directs the program which provides a Federal floor of income for 4.2 million eligible aged, blind, and disabled persons in 50 states and establishes nationally uniform eligibility requirements.

Problems such as backlogs, slowness in hearings and appeals, redetermination, and need for updating the system have plagued the program from the beginning. Yet it is the overpayments that have caused a senator to ask the Comptroller General to investigate the program and the President to direct the Office of Management and Budget "to make sure the overspending won't be done again."

Although the amounts of money are much larger, overspending was a problem with this program even before Federal takeover. When the states administered their programs, their overpayment rate for a six month period (July-Dec.) in 1972 was 13.1 percent, according to Commissioner Cardwell. In the period from July through December in 1974, the Federal overpayment was 12.9.

Some recommendations for improved implementation and administration of the Federal program are expected from the SSI Study Group, a five-member group appointed by HEW Secretary Weinberger in May to review and make a broad assessment of the SSI program. The group has indicated it hopes to develop an interim report, with certain general recommendations, by December of this year.

In addition, the Senate Finance Committee is currently conducting a special study of SSI. One element of that study will be results of a questionnaire sent to all governors seeking their assessments of the program.

Following completion of the report, hearings will probably be held, although realistic estimates call for action in late fall, at best.

The House Subcommittee on Public Assistance has reported two pieces of legislation to modify the SSI program. One bill, HR 8911, consists of 21 different provisions designed to improve and correct defects and inequities in the program. The provisions include calling for an SSI outreach program to concentrate particularly on finding disabled children entitled to the SSI funds and eliminating restrictions on the value of a home in determining eligibility for the program. A second bill, HR 8912, would allow an SSI recipient to receive additional financial assistance for housing costs if those costs exceeded one-third of such an individual's annual income.

Fair Labor Standards Case
To Be Reargued This Fall

When the U.S. Supreme Court commences its October term, it will hear reargument in The National League of Cities, et al v. Dunlop, a critical case to every State and local government.

At issue is the constitutionality of the 1974 Fair Labor Standards Act Amendments which would have extended Federal minimum wage and overtime pay protection to all non-supervisory state and local employees including policemen and firemen. The suit was brought by the National League of Cities, the National Governors' Conference, 20 states (joined by two states in an amicus brief) and four cities who contend that the 1974 Amendments violate constitutional federalism by purporting to make state and local government pe-
sonnel policy the province of the national government. The law could also spell bankruptcy, say the plaintiff cities and states, due primarily to its special provisions relating to overtime pay for firemen and police.

On New Years Eve, 1974, Chief Justice Warren Burger stayed the enforcement of the Labor Department's proposed regulations governing overtime and fire protection personnel and the balance of the Act pending a further Supreme Court action.

The stay order, which came as a surprise to Federal officials, was issued notwithstanding a previous opinion in Maryland v. Wintz, which upheld the constitutionality of 1966 Amendments to the Fair Labor Standards Act pertaining to public hospital and education employees.

In a related decision issued last spring, the Court ruled 7-1 that wage controls in the Economic Stabilization Act of 1970 could be constitutionally applied to state employees. In Fry v. Ohio, the state of Ohio had enacted legislation increasing wages and salaries by 10.6 percent which the Federal Pay Board sought to reduce to an increase of 7 percent. The Court held that general raises to state employees, even though in a sense purely intrastate, obviously had an impact on interstate commerce and thus could be regulated by Congress and the Pay Board under the Commerce Clause of the Constitution. Yet the Court was painstakingly careful to stress that the law at stake then had been "quite limited in application" and was enacted in a time of national emergency, a justification most legal scholars do not think pertains to the constitutional arguments over the Fair Labor Standards Act.

In a dissenting opinion, Justice William Rehnquist hinted he would try to win over a majority to a more expansive reading of the 10th Amendment providing that powers not expressly given to the Federal government in the Constitution and not withheld from the states were reserved to the states or to the people.

The seven justices who formed the majority in the Fry v. Ohio case said in their joint opinion that the 10th Amendment was "not without significance" and that it is eminently clear in the Constitution that Congress may not exercise power in a fashion that impairs the states' integrity or their ability to function effectively in a federal system.

Legislation has been introduced in the Congress to amend the revenue sharing bill to require any recipient government to enforce the provisions of the Fair Labor Standards Act as a condition for receiving funds.

OMB-GSA Study Examines Assistance Programs

A Federal interagency study, headed by the Office of Management and Budget and the General Services Administration, has been initiated to define the various relationships in Federal assistance and to develop guidelines for their use.

The study is a response to legislation introduced in the Congress which would establish three kinds of legal instruments for use in Federal assistance (contracts, cooperative agreements, and grants) and would call for a study of the feasibility of developing guidance to agencies for using the instruments. The interagency study represents a move to define the assistance relationships and instruments more clearly, prior to passage of legislation, and to establish the conditions and criteria for their proper use. The interagency group is to submit this report to Congress by December 31, 1975.

A second phase of the study will be development of a comprehensive body of guidelines for assistance programs.

Transportation Legislation Off To Slow Start

The Administration's transportation package, introduced in late summer, is the subject of much talk and little action so far this fall in the Congress.

The primary object of controversy is the Administration's proposal to amend the Federal Aid Highway Act by:
- extending the Highway Trust Fund indefinitely but reducing its income to that which is raised by one cent of the Federal gasoline tax and limiting its use to the interstate highway system;
- sending revenues from two cents of the Federal gasoline tax to the gener-

al fund, to be used for any purpose (not necessarily transportation) depending upon annual Congressional appropriations;
- repealing the remaining one cent of the current four cents per-gallon tax in those states which increase their own gasoline tax by one cent or more after September 30, 1976;
- consolidating the more than 30 Federal-aid highway programs into four (interstate, urban, rural, and safety) with some flexibility for transit uses in the urban and rural programs;
- paying for all transportation programs except the interstate from the general fund.

The proposal calls for $3.25 billion authorization level for the interstate system provided under existing law for Fiscal Year 1977 but increases the annual funding level thereafter by $150 million each year until it reaches $3.7 billion in 1980. Appropriations authorized from the general fund of the Treasury for Fiscal Year 1977 through 1980 would include $1.05 million annually for rural transportation, $800 million annually for urban transportation, and $400 million for highway safety improvement.

The Administration proposal stresses completion of the interstate system by changing the system of apportioning interstate funds. It calls for half to be apportioned based on the cost of completing "nationally significant" routes determined by the DOT Secretary (primarily those routes providing access to, through or around major population centers) and the other half to be apportioned on the cost of completing all routes in the system.

Both the House and Senate Subcommittees on Transportation held hearings during the summer. Senate hearings were on the overall transportation picture; House hearings were on the Administration's highway proposals and the Subcommittee's own bill which calls for a straight extension of the existing program at authorization of $3.25 billion for Fiscal Year 1977, increasing to $4 billion by 1979. Since the termination of the Highway Trust Fund is still two years away, there has been no real push for Congressional action this fall on the legislation.
A New Approach to Coordinated Transportation

by Bruce D. McDowell

In San Francisco, Boston, Washington and other cities, the "freeway revolt" has stopped planned highways.

In Chicago, several suburban bus companies were near bankruptcy a year ago, and the Chicago Transit Authority was operating in the red, until a new Regional Transportation Authority came to the rescue.

In San Francisco, the brand new rapid transit system was nearly closed last fall because of a financial crisis.

In rural America, more and more towns face the loss of rail and bus services and virtual isolation.

In nearly every other city, efforts to deal with transportation on a multimodal basis are frustrated by narrow limits on the use of transportation dollars, while expensively prepared comprehensive transportation plans go unheeded.

These increasingly common problems are the basis for a series of recommendations for improving regional transportation planning, financing, and implementation included in a new report by the Advisory Commission on Intergovernmental Relations (ACIR).*

The report outlines an intergovernmental strategy for overcoming the transportation crisis in both metropolitan and non-metropolitan regions. Main features of the strategy include a call for:

- A single Federal transportation block grant program to replace the current fragmented urban system, secondary highway, and mass transportation Federal-aid programs.
- Freedom for the regional body receiving the grant to use Federal funds for any transportation mode and for either capital or operating expenses.
- Incentives to states to develop strong intermodal departments of transportation (DOTs) which would serve as channels for passing on and coordinating Federal funds. In the absence of such a strong DOT, funds would go directly to regional planning bodies.
- Expanded powers for regional planning bodies to plan and coordinate areawide transportation systems and related matters and to approve or disapprove local transportation projects of regionwide significance.
- Regional transportation authorities to operate, finance or coordinate responsibilities needed to carry out the plans of the regional policy body.
- Expanded authority for state and local governments to provide and finance a full range of needed transportation services.
- Consolidated and reformed regulatory processes capable of making coordinated transportation decisions for all modes consistent with broad public objectives for improved community development, energy conservation, environmental protection, enhanced mobility, and improved access.

These proposals, and the other recommendations which make up the full ACIR program, represent a major departure from present Federal, state, and local transportation policies and practices. Yet, each has a precedent in the nation’s existing system of government.

Need for a Regional Approach

The state and Federal governments have long been partners in the transportation system in this country, providing the nationwide networks of railroads and waterways, air transportation, and highways.

Local transportation needs, on the other hand, have traditionally been met mainly through locally supported programs and private transit operations with relatively little Federal or state involvement. In recent years, however, the nation's unmet transportation needs are most evident at the local level, where the private transit industry, which has played such a major role in meeting these needs in the past, is experiencing severe financial difficulty and where new concerns about such considerations as air quality, energy conservation, neighborhood disruption, and improved public transportation options are emphasizing the need for intermodal solutions. Yet local governments individually do not have the adequate geographic extent, finances, and authority to meet these needs.

In urban areas, the current transportation crisis involves bailing out bankrupt transit operations, substituting improved transit for further construction of sometimes disruptive freeways in built-up areas, reducing automotive air pollution, and saving gas. Solution of these problems requires continued improvement in the cooperation among all the local governments of the area.

In rural areas, the problems are maintaining essential but low density rail services, improving roads to handle goods shifted from abandoned rail lines, providing public transportation services for the young, the elderly, and the disabled who do not have easy access to automobiles, and (again, as in the urban areas) getting cooperation among the various local governments to make these objectives achievable.

Over the years, the transportation responsibilities of government have been shared by the Federal, state, and local levels; now this need for sharing is greater than ever, but it focuses more on local needs and on joining local governments together in area-wide cooperative ventures designed to meet intermodal needs. While most of these unmet needs are interjurisdictional or areawide, existing means for meeting them are piecemeal. So, improving transportation requires a regional approach.

What is Regional Transportation

In its adopted report, the Commission has taken pains to point out that some transportation facilities and services are strictly local in their impact; their effects do not extend beyond the borders of an individual local government. At the same time, some transportation systems are inter-regional; they tie together distant farms and markets and urban centers. These may be statewide systems, as is the case with the primary highway system, or they may be national systems, such as the interstate highway system and the national systems of airports and railroads. Nevertheless, in between the local system and the state and national system, within a given region—whether metropolitan or non-metropolitan—

Federal Action

The ACIR transportation recommendations call on the Federal government to consolidate Federal aid in the transportation area and to support the establishment of strong areawide transportation policy making and implementation bodies. ACIR also urges the Federal government to consolidate its transportation regulatory bodies into a single intermodal agency.

Consolidating Transportation Programs. Specifically, the Commission recommends that Congress pass legislation to merge funds for the urban system, secondary highway system, and mass transportation programs into a single block grant which could be used for any mode and for capital and operating purposes. The money for the grant would come from earmarked funds from the national Highway Trust Fund and from Congressional appropriations from the general funds. The block grant money would go to both metropolitan and non-metropolitan regions, largely according to a population-based formula.

In states with strong intermodal departments of transportation (responsive to overall policy control by the governor and with a substantial intermodal program of financial assistance for regional systems), funds would be channeled to regional bodies through that state for regions wholly within the state. In those states not meeting these conditions, and in all interstate regions, the funds would go directly to the regional policy bodies.

Supporting Regional Bodies. This new Federal-aid program would substantially strengthen the decision-making role of regional bodies by giving them the authority to allocate the regional funds among projects while maintaining their current role in reviewing local, statewide, and interstate projects for consistency with the regional plan.

Reforming Regulatory Processes. The Commission also recommends that the Congress consider legislation to consolidate the various national transportation regulatory bodies into one intermodal agency. Such an agency should deal with a much broader range of transportation-related issues than regulatory agencies have to date. Such issues should include modal productivity and efficiency, as well as economy, energy conservation, desired community development, environmental protection, enhanced mobility, and improved access. Legislative policies, executive branch planning, and the impact of Federal-aid programs affecting transportation should become much more significant considerations in regulatory decision-making processes.
there is a transportation system designed primarily for movement within the region and across the local boundaries which divide that region. This is the "regional" system.

Such a system of facilities and services may include any mode and should be designed to supplement local, state, and national systems so that movement of both people and goods within the whole area will be economical and convenient, and consistent with regional growth policies.

ACIR recommendations call for regional policymakers to take responsibility for this regional system and to address the other larger or more localized systems from the point of view of compatibility with regional goals and objectives. At the same time the local, state, and Federal governments would be concerned primarily with their own systems but would work closely with the regional bodies to coordinate their activities.

**Intergovernmental Dimensions**

Governmental responsibilities for providing regional transportation systems are highly fragmented, and the relationships among responsible governmental units are often difficult. As Figure 1 shows, all three levels of government have major transportation and transportation-related responsibilities. Usually, the responsibilities for different modes of transportation (highways, transit, airports, and other means of moving people and goods) are divided among different organizational units even within a single level of government, and the same is true of the planning, regulatory, financing, and implementation activities even for a single mode. The Commission’s survey of all 218 Federally recognized urban transportation planning regions (as of 1973) showed that the number of governmental units involved in transportation ranged from 11 in the smallest region to well over 500 in the largest. Thus, intergovernmental relations becomes the key to devising smoothly operating regional transportation systems.

Federally required areawide advisory planning bodies are presently designated to serve as the means of interrelating the transportation relationships of all these different actors within a metropolitan area. Yet while such bodies have been in existence in most metropolitan areas for about a decade and have spent large sums of Federal, state and local money in preparing sophisticated transportation and land use plans, the plans they have produced have had little direct relationship to the implementation of transportation projects having regional significance. Other governmental and nongovernmental units are responsible for implementation and for major decisions concerning the funding of different types of projects.

Since these areawide planning bodies are voluntary and have little authority under state law,
Co~oseie Institutional Recommendations (1, 2, 5

Partial control
Communication

ation. Still, they do have an often attained potential
to deal with the whole range of transportation modes
as well as related land use, environmental, and other
types of planning in the region.

The states, through their highway departments,
have long had nearly complete charge of the Federal-aid highway program. A few states have also exer-
cised great influence over the Federal-aid airport
program. But most have had little to do with Federal-
aid transit programs which often give money and
responsibility directly to local areas. Thus, to the
extent that the states have been involved in Federal-
aid transportation programs, they have usually
been in the driver's seat, but their preoccupation
with highways has limited their involvement almost
solely to a single mode.

As late as 1971 (the most current data available
when ACIR's report was prepared), states were
spending 98 percent of their total transportation
expenditures on highways. And although 27 states
had departments of transportation as of 1974, several
encompassed little more than a highway program,
and several others were organized basically along
modal lines. Thus, despite the recent growth in state
DOTs, many do not successfully interrelate trans-
portation modes. The states do not have long ex-
perience, or in many cases current capabilities, in
planning and developing the intermodal systems
of transportation that are required at the regional
level. Most are also quite limited in their ability to
coordinate transportation policies with their own en-
vironmental, energy, land use, growth, and other
related policies.

By contrast, many local governments have been
deeply involved not only in highways, but also in
transit, airports, water transport, and parking.
Thus, the local governments, and the areawide
planning bodies representing them, commonly have
had a much broader concept of transportation and
the relationships among the different modes than
have the states.

Yet all levels are somewhat restricted in the uses
to which funds can be allocated. The Commis-
sion's financial analysis found that special taxes
and earmarked trust funds limited to the support of
single modes of transportation are quite common at
all levels. In addition, many transportation facilities
are provided through revenue bonds which limit the
use of the revenues to an individual project or a
single type of project carried out by a special purpose
transportation authority.

The Commission's financial analysis also showed
that about one-third of the $26 billion per year in
governmental expenditures on transportation con-
stitutes of grants from one level of government to
another. Thus, much of the money used for transpor-
tation systems is not generated by the unit of gov-
ernment which actually provides the facilities or
services. This brings a complex set of grant condi-
tions into play. Combined with the narrow limita-
tions on the uses of funds, these grant con-
ditions make a large share of transportation funds
difficult or impossible to administer in a flexible
way. There is very little possibility for intermodal
use of such funds.
Successful implementation of the ACIR transportation model depends in large measure on state action. Such action would include:

**Relying Upon State DOTS.** The Commission recommends that each state enact legislation establishing a broad intermodal department of transportation headed by a chief administrator appointed by, and responsible to, the governor, directly vested with strong and effective intermodal planning, policy making and budgeting capabilities, and supported by adequate staff to enable him to carry out his responsibilities.

**Strengthening Areawide Planning and Decision-Making.** The Commission believes that the most feasible approach to meeting areawide transportation needs is to use existing regional councils and regional planning commissions as recipients of federal and state aid for planning and to strengthen their decision-making powers. A second approach, however, would be to use reorganized areawide local governments where feasible; a third approach would be to use state agencies with localities. State legislation should be passed to enable a regional unit or local governmental body to serve this planning and decision-making purpose.

**Improving Areawide Transportation Services.** State legislation should further empower the policymaking bodies to designate an areawide intermodal transportation authority to provide directly, coordinate, or assist in financing existing and needed areawide transportation services and to consolidate or otherwise integrate the transportation activities of existing areawide transportation operating units.

**Improving State and Local Financing of Transportation.** The Commission recommends passage of state legislation which would relieve fiscal, structural, and legal constraints on state and local governments in the financing of transportation.

**Providing Local Transportation Services.** The states should authorize all general purpose local governments to deliver whatever local public transportation services are needed by their citizens but are not supplied by areawide, state, or national transportation systems.

**Reforming Regulatory Processes.** State legislatures, like the Congress, should consider consolidating their independent transportation regulatory bodies to combine separate transportation modes into independent intermodal regulatory bodies, and to broaden the criteria used in deciding cases.

With respect to Federal-aid transportation funds, some flexibility between highways and transit has now been introduced; and, within the transit program, some flexibility is now possible between capital and operating funds. However, the basic pattern is still one of separate programs, separately funded, and subject to separate planning and decision making procedures. Except for the Federal-aid highway funds, which are distributed on a formula basis at least to the state level, other Federal-aid transportation funds are for projects individually approved in competition with projects from other areas. This means that for airports and transit systems, localities cannot count on Federal-aid consistently from year to year.

**New Intergovernmental Proposals**

The Commission's specific recommendations to overcome these problems by level are highlighted in accompanying sections labeled Federal, State, Local Action; the organizational components of these recommendations are summarized in Figure 2.

The basic thrust is to strengthen regional policy bodies so that, unlike the current voluntary areawide planning advisory bodies, they can play a major decision-making and implementation role in those projects having areawide significance. In addition, an areawide transportation authority should be designated to work with, and under the direction of, these regional policy bodies. With appropriate state legislation these bodies would:

- extend state financial assistance to the full range of non-highway transportation services such as airports, mass transit, water, and rail transport, and permit flexible use of presently earmarked state highway revenues to achieve better funding balance among various transportation modes;

- authorize an appropriate state agency to review and approve transportation revenue bond issues of all state, areawide, and local units of government in order to avoid conditions which would cause excessive service charges or impediments to balanced systems of transportation;

- authorize state, areawide, and local governments to divert, to the extent possible, surplus revenue of transportation special districts within their jurisdiction for the support of other transportation programs; and

- authorize local and state governments to provide financial subsidies to private transportation providers and consumers and to establish local pricing policies for transportation designed to meet transportation goals other than simply to meet costs.

These transportation authorities would have the financial and other powers necessary to put the re-
Regional policy body’s transportation plan into effect and to help integrate local, statewide, and national systems of transportation with the regional system. The financial powers must be provided to these bodies by state legislation which would:

- Designate with the planning agency, major urban and rural regional transportation routes and set the conditions for transport operations along these routes;
- Reserve, develop, and maintain exclusive or priority travel routes for mass transit and sites for area-wide transport facilities; and
- Finance their operations through fares and charges to the extent consistent with policy objectives but through taxes and assessments where necessary.

The regional policy body would also be empowered to enter any transportation or related regulatory processes and participate fully as a party at interest in those deliberations. This participation is necessary to inform the regulatory bodies about the region’s transportation and growth policies and to help coordinate the ways in which public transportation programs and subsidies can work together with regulated industries to produce a better coordinated intermodal transportation system responsive to broad community needs.

Although the Commission has recommended a variety of different possibilities for organizing both the regional policy body and its subordinate transportation authority, it has made clear that the local governments of the area or the area’s citizens should control any form selected, and that the actions of those bodies should be limited by essential state and national interests where necessary. Ample flexibility is also provided to assure that local initiative will remain strong, and that regional policies and actions will facilitate rather than stifle this initiative.

The regional programs would be fully intermodal, broadly coordinated with overall development policies, politically responsive and responsible, clear in the division of responsibilities, and effective in meeting areawide needs, but they would leave strictly local transportation decisions in local hands.

Recommendations to the states and to the Federal government are designed to facilitate greater coordination and self-determination at the regional level consistent with state and national interests.

**Local Action**

As key providers of five major transportation functions (airports, water, highways, mass transit, and parking), local governments have an important role to play in the transportation field. Under the ACIR recommendations, they would continue to provide much of the transportation planning and service within their regions.

**Controlling Regional Transportation Decisions.** Due to the complex multi-jurisdictional nature of most areas, ACIR concluded that existing regional councils and regional planning commissions will usually be the most feasible transportation planning and decision making bodies. However, where areawide local governmental reorganizations have occurred, they can appropriately serve this important function. In all cases, local elected officials would control regional transportation decisions.

**Providing Areawide Transportation Services.** In addition, local governments, under enabling state legislation, might be authorized to serve as areawide transportation delivery authorities. The three primary candidates for such authority would be a reorganized county containing 70 percent or more of a metropolitan or non-metropolitan area’s population; a city acting extraterritorially when it already performs the bulk of the area’s non-highway transportation services; or a joint city-county transportation department whose jurisdiction contains 70 percent or more of the metropolitan or non-metropolitan area’s population.

A multipurpose or multimodal regional services authority, a state department of transportation, or a subordinate state transportation agency created for the region, might also provide these coordinate and integrated transportation activities.

**Delivering Supplementary Local Transportation Services.** Local governments would continue to provide whatever strictly local transportation services their citizens demand in accordance with authority granted by the states. These services would supplement areawide, statewide, and nationwide transportation services, but be consistent with them.

**Financing Transportation.** The Commission recommends that, with state authorization where appropriate, local governments revise their transportation financing policies by adopting transportation pricing programs (parking taxes, group fares for taxis, airport landing fees, congestion tolls for urban highway) that would contribute to a more effective use of these transport modes.
Where It Works

Implementation of the ACIR transportation model is not an impossible dream. In fact, many facets of the Commission's recommendations are currently operating in various governmental units across the country. This article highlights three such units. Each fulfills some portion of the recommendations, and each has been in operation long enough to rack up some experience that might be useful to others in similar situations.

The Maryland Department of Transportation is an example of a strong, intermodal state DOT which has flexible funding capabilities.

The Minneapolis-St. Paul Metropolitan Transit Commission is an example of a regional transportation authority which provides services while working closely with an areawide planning and coordinating body to assure compliance with the overall regional plan.

Chicago's Regional Transportation Authority, the youngest of the three in terms of operating experience, is an example of an unusually well empowered and flexible regional intermodal transportation organization set up to provide public transportation services, facilities, and funding in a six county metropolitan area.

These examples are by no means the only ones that could be cited. They are, however, certainly among the most interesting.

Maryland Department of Transportation

"The Maryland Department of Transportation: A Model for the Nation" reads a promotional brochure on the department. Yet there are 27 state departments of transportation. What makes this one deserving of imitation?

The key reason is the funding: All the state's transportation revenues except those from toll facilities are placed into a single consolidated trust fund, and all expenditures—from highway employees' salaries to the cost of constructing new port cargo vessel berths—come out of the trust fund. This financial flexibility allows funding based on transportation needs or priorities rather than source of income.

"Through this approach we are able to maximize our available revenues and bonding authority and apply funds where they are most needed and in amounts sufficient to get the job done," said Maryland Transportation Secretary Harry R. Hughes.

This wide range includes state funds to finance all the local share of a rapid rail system in Metropolitan Baltimore; assumption of two Maryland counties' capital commitment for a rapid rail system in the Washington, D.C., metropolitan area; capital and operating support to sustain and upgrade commuter rail service in the state; purchase and operation of a major international airport (Baltimore-Washington); assistance to small urban areas and rural areas in developing public mass transit; building bicycle and pedestrian pathways; support to general aviation interests; and construction and operation of a major port facility.

Much of the current success of the intermodal approach in Maryland resulted from the far reaching and forward looking recommendations of a task force appointed in 1969 to begin planning the creation of a cabinet-level Department of Transportation. With a mandate from the governor to "provide Maryland with the best balanced and unified transportation system possible," the task force recommended the reorganization of the 11 relatively autonomous transportation agencies into one central department. The Department was to have five agencies under direct control of a secretary appointed by the governor to cabinet-level status with full authority to plan a comprehensive transportation system for the state.

The task force's recommendations were transformed into legislation and signed into law in 1970. The Department officially opened one year later. The Maryland DOT brings together five primary transportation agencies under the authority of the Secretary: the State Aviation Administration, Maryland Port Administration, Mass Transit Administration, the Motor Vehicles Administration, and the State Highway Administration.

In addition to constructing and maintaining
The Port of Baltimore is one of the areas of responsibility of the Maryland State Department of Transportation.

facilities and planning for future transportation needs, the Maryland Department of Transportation is concerned with the impact of its decisions on non-transportation matters.

"I believe that the transportation planning process must include factors of economic, social and environmental significance," said Hughes. "It is the responsibility of the Department to ensure that all these factors receive consideration."

Secretary Hughes believes that not all transportation plans should be implemented; sometimes the best action is no action. This philosophy was illustrated in the Maryland suburbs of Washington, D.C., regarding the possible construction of an interstate highway inside the Capitol Beltway. Following a year long study that incorporated strong input of citizens and public officials, the Department decided not to build the segment.

And sometimes the state simply isn't the best government to handle a transportation problem. One such problem in Maryland is improvement of public mass transit in small urban areas.

"The thrust of this program is local initiative and responsibility," said Hughes. "The local jurisdiction or regional authority must contribute financially, assume responsibility for operations and maintenance and be the decisionmaker on service."

The state department provides up to 75 percent of the local share of Federal matching, but the local community, with state technical assistance, designs and implements the needed studies, develops grant applications, assesses transportation needs, and determines means to meet those needs.

"The cumulative effect is to couple local interest, commitment and responsibility with state technical and financial assistance," Hughes said. "Such a combination has proven successful in maximizing benefits while maintaining program responsibility at a local, efficient level."

Minneapolis-St. Paul Metropolitan Transit Commission

Calling the bus line "The Greater Metropolitan Car Pool" was one move to catch the attention of the folks of Minneapolis-St. Paul. Painting a sporty, bright yellow Deusenberg on the sides of buses was another.

But clever promotion schemes alone didn't increase the ridership of the area's buses 8 percent in 1974: indications are that improved service did. New buses, expanded routes, heated bus stops, services for aged, physically impaired and a dial-a-bus service for those living in the Model Cities area all contributed.

The service—and its promotion—were provided by the Metropolitan Transit Commission, a regional transportation authority created by the 1967 Minnesota Legislature and charged with two major responsibilities: to take immediate action to improve existing bus systems in the seven county metropolitan area, and to develop a program for a future transit system adequate to the mobility needs of the metropolitan area to and beyond the year 2000.

The first goal has been nearly achieved according to Doug Kelm, MTC chairman. "Those who were and are transit-dependent—that is, who have no alternative means of transportation—now have first class transportation at their disposal, for perhaps the first time in a generation," he said. "And those who previously had made use of the automobile began to find they had a genuine choice available to them and have been exercising that choice in greater numbers each year."

The second responsibility—planning for the year 2000—is a long term goal and ongoing challenge for the Commission, which is made up of nine citizens representing various precincts, each with equal population, throughout the Twin Cities area. The chairman is appointed at-large by the governor; other members are appointed by the Metropolitan Council for terms of four years.

Also active in Commission efforts is a 41-member Citizens Advisory Committee, whose members work with MTC staff and members in developing plans
that truly reflect the community’s priorities. This Advisory Committee meets at least monthly.

The Minneapolis-St. Paul Metropolitan Council serves as the general planning body for the entire Twin Cities area and thus has veto power over Transit Commission activities if they do not fit into the Council’s policy guide. A law passed by the Minnesota Legislature in 1974 spelled out the relationship; it gave the Metropolitan Council responsibilities with respect to the general planning of transit including establishing the area’s overall needs plus describing the physical facilities needed and where they should go. The Council’s process provides the framework for a regional transportation development program to be implemented by the Transit Commission. Such implementation includes determination of the type of transit service to be provided and designation of transit modes. The MTC, by direction of 1967 legislation, also “plans, engineers, constructs, equips and operates transit systems.”

In its five years of existence, MTC has made many improvements in the transportation system. In fact, Doug Kelm says, “it is hard to think of any aspect of public transportation that is not dramatically improved. The equipment, the area served, the level of service, the innovations, the marketing all are demonstrably superior.”

“About the only thing that has stayed constant is the fare,” he said “and that, after five years of unprecedented levels of inflation, makes transit the best bargain in town.”

One indication of MTC’s success is a comparison of its stated goals in a five year plan developed in 1970 with its actual achievement. These goals followed by achievements include:

- Purchase of 466 new buses; 611 buses have actually been purchased;
- Specially designated bus stops at 3,230 locations; 8,000 are now so designated;
- Establishment of 19 park-and-ride centers; 36 are in operation now;
- A provision of a more equitable fare system based on geographic rather than political boundaries; such a system was implemented in 1974;
- Establishment of 120 miles of new bus service; nearly 600 miles of new service were added.

In addition to operating its own bus system, the MTC provides direct subsidies to other transit systems with direct subsidies.

The Metropolitan Transit Commission is financed through an ad valorem property tax levied upon the Metropolitan Transit Taxing District (generally the urbanized portion of the seven county metropolitan area), plus income from its fare box and Federal and state grants. In 1975 the Minnesota Legislature reduced the MTC levy to 1.72 mills from 2.96 mills and made available to the MTC state funds for the support of transit. In addition, the MTC receives operating funds from Section 5 of the 1975 Mass Transit Act.

Chicago’s Regional Transportation Authority

In late 1973 the public transportation situation in Chicago was bleak indeed.

The Chicago Transit Authority said it must raise fares or cut services. Suburban bus companies were threatening to go out of business because they were running out of money to meet payrolls and pay for fuel. The commuter railroads, except for one, were operating in the red and were seeking approval for substantial rates increases.

Joseph A. Tecson, a Chicago attorney who has been active in the transportation field for many years and who currently serves on the Regional Transportation Authority board, described the situation this way: “Public transportation systems in the Chicago area, which had been atrophying for years, were on the verge of financial collapse.”

The answer had to be a regional one, recounted Tecson in a history of the RTA published recently in the Chicago Bar Record, due to two factors: the regional nature of the problem and the regional requirements for Federal funding. There was also agreement among various interests that the scope of the agency must be all-inclusive so that it would have umbrella authority over all suburban railroads, bus lines and the Chicago Transit Authority.

And at that point the agreement ended. Questions concerning sources of subsidy, structure, powers and control of the agency, suburban-urban representation on the board, were not easily settled.

Finally in December, the Regional Transportation
Act passed the Illinois General Assembly and was signed into law. That law set up the Regional Transportation Authority, described as "a single authority responsive to the people and elected officials of the area and with the power and competence to provide and facilitate public transportation which is attractive and economical to users, comprehensive, coordinated among its various elements, economical, safe, efficient and coordinated with area and state plans." The RTA was to provide public transportation services, facilities, and funding in the six county metropolitan area near and including the city of Chicago.

But there was one more test: the law called for a public referendum to be held in March 1974. The approval was not overwhelming: the measure passed by only 13,000 votes out of a total of nearly 1.4 million cast.

There were additional delays in selecting a chairman who by law must be appointed by the eight members of the RTA board. Of these eight, four are appointed by the mayor of Chicago; two by members of the Cook County Board to represent that part of Cook County outside Chicago; and two by chairmen of the county boards of the five counties in the metropolitan region outside Cook County. In January 1975, Milton Pikarsky, then chairman of the Chicago Transit Authority, was selected chairman by these eight and became the ninth member of the RTA board.

The first activities of the RTA were primarily stabilizing ones: providing a universal transfer system so riders could use any RTA facility, eliminating fare inequities among bus lines and among commuter railroads, bailing out several rail lines by granting them subsidies, purchasing new buses, and constructing parking facilities and bus shelters.

RTA's major concern from the beginning has been to assure the equity of the regional system: that is, to assure that no one area within the region gets preferred treatment. "My goal is to treat the Chicago area as a whole and not favor one area over another," Pikarsky said soon after his selection. "From a transportation standpoint, we need to begin thinking about the entire region as a whole or none of our transportation needs will be met."

The RTA is a grant making authority and clearinghouse for all grants for public transportation anywhere in the region. It is required to adopt guidelines setting forth uniform standards that must be met to receive a grant.

The state law provides for five sources of revenue for RTA: three from existing taxes and sources, and two from taxes which the Authority does not use now but may wish to use in the future. The three existing sources are a portion of the state sales tax collected in the six county metropolitan area; an automobile registration fee collected in the City of Chicago; and an annual contribution of $5 million to the RTA by a unit or units of government within Cook County (under the current arrangement, the city pays $3 million and the county $2 million). Two taxes not yet levied are a sales tax of up to 5 percent of gasoline sold in the six county area and a tax on the privilege of parking motor vehicles in commercial parking facilities in the six county area. The RTA also has the power to borrow money and to issue bonds and notes.

The RTA submitted its first proposed program and budget for Fiscal Year 1976 to the governor in January. Since then a series of public hearings were held in each of the six counties, and a final budget reflecting results of the hearings was drafted. The proposed budget of approximately $150 million calls for innovative fare programs, expanded rail service, new and more effective bus routes, and a new regionwide marketing program including new areawide transit maps, telephone information centers, passenger newsletters, and timetable formats. In addition to hearings, citizen input is obtained through a 26-member Metropolitan Area Transportation Council.

"The goal through all of this," concluded a discussion memorandum on the proposed Fiscal Year 1976 program, "is to build on the base of Chicago's already excellent system of public transportation, a network that will be the finest in the world. Nothing less is worth seeking, nothing less should be accepted."
Commission Recommends Change
In Taxation of Military

At its meeting on September 11 and 12, the Commission passed strong recommendations asking the Congress to lift several current restrictions on state and local taxation of military personnel.

Specifically, it urged passage of amendments to two Federal laws to:
- remove current exemptions from state and local sales and excise taxes on on-base purchases by military personnel; and
- remove the stipulation that only the service member's state of domicile or legal residence can tax his active duty military pay.

The Buck Act, passed in 1940, bars state and local taxation of on-base sales to active duty military personnel, retired military personnel, active duty reservists, dependents of the above, plus certain other groups. When the Act was passed, the tax exemption benefit was small both for individuals and in the aggregate, but that is no longer the case.

Statistics compiled by the ACIR staff indicate that nearly $400 million was lost in potential state and local sales and excise taxes in Fiscal Year 1973 due to that exclusion. States with large or numerous military bases lost the most: California, for example, lost an estimated $49 million in 1973; Virginia, $12 million; Florida, $21 million; and Texas, $30 million.

But lost revenue was not the only consideration for the Commission: changes both in the extent and scope of on-base retail operations and state and local sales and excise taxation have altered the rationale for the exemption of military store sales from state and local sales and excise taxation. The theory of commissary and "PX" privileges, primarily to provide goods to people who were at isolated stations who did not have benefit of metropolitan sales, is no longer valid. Few bases are isolated now—and more and more military personnel live off-base where civilian neighborhood stores are convenient.

In addition, military income has risen in the past few years, making military persons better able to bear the burden of state and local taxes. And the military store system has grown from a small distributor of goods to a multi-billion retail operation.

The Commission took the position that the Federal government, not state and local government, should underwrite military fringe benefits.

Following nearly a full day of public hearings and hours of discussion of background material and potential positions, the Commission passed a strongly worded recommendation that the Congress give "early and favorable consideration to legislation amending the Buck Act to allow the application of state and local sales and excise (including tobacco and liquor) taxes to all military store sales in the United States."

The second issue, application of state income taxes to military personnel, involved two key concerns: a jurisdictional question and a tax compliance question.

The jurisdictional question results from a section in the Soldiers' and Sailors' Civil Relief Act of 1940 that says that military duty pay can be taxed only by the state in which the armed forces member is domiciled, or is a legal resident. The Commission recommended a change in this provision since it treats military personnel differently from civilians, and even treats some military personnel differently from others, in some members of the military choose to contribute income taxes toward funding state services where they are stationed and others do not. In addition, those who do not pay taxes in the state where they are stationed, often benefit from state and local services provided from state income taxes they do not pay.

Therefore, the Commission recommended the act be amended to remove the current differential tax treatment of military active duty pay regarding jurisdiction to tax. It further suggested that the state where the military person is stationed should have first claim on taxing his income for state income taxes. Yet, as with civilian compensation, if the military person retains a domicile in another state, that state should also have the right to tax him, allowing a credit against taxes paid to the state of physical presence.

On the issue of withholding of state income taxes, the Commission expressed its concern that sufficient steps "have not been taken by the military to require compliance with state and local taxes," and further directed the staff to work with the appropriate state and Federal agencies to design and propose an improved compliance system, including new legislation if necessary.

The background material and recommendations will be published in a report available in early 1976.

Work Begins on Study of Public Bank Deposit Pledging Requirements

A study is now underway at the Commission to look at the impact on municipal bonds and funds available for housing of a recent increase in deposit insurance for public units and the related reduction in pledging requirements.

ACIR was directed to conduct the study by Congress in the law passed last fall raising the deposit insurance at commercial banks, savings and loan associations, mutual savings banks, and credit unions from $20,000 to $100,000 per account for public units. But it is not the insurance increase that is a concern to Congress and state and local governments, but rather the diminishing of pledging requirements which may cause banks to buy and hold fewer state and local bonds. Commercial banks have historically been the largest purchasers of such municipal bonds.

The new law represents a compromise from an earlier bill proposing 100 percent insurance coverage for deposits, which would do away with pledging in most cases. The compromise was reached—and the ACIR commissioned to study the situation—when no sure predictions could be made of the impact on the municipal bond market.

The ACIR study will attempt to:
1. analyze current data on the various Federal, state, and local pledging and insurance requirements, the size and volatility of public deposits, and on housing financing sources and trends;
2. determine what changes have resulted from the recent increase in insurance on public deposits; and
3. draw conclusions about the impact of alternative future changes in the insurance of, or
ACIR Grant Study

Releases Preliminary Figures

Federal aid to state and local governments totalled $46 billion in Fiscal Year 1974; ACIR estimates point to a Federal grant outlay of about $60 billion in 1976.

Over 85 percent of the total goes to states and local governments in the form of categorical grants and block grants: two primary concerns of a current ACIR study entitled "The Intergovernmental Grant System: Policies, Processes and Alternatives." The third form of the tripartite system, general revenue sharing, was the subject of a detailed ACIR study last year and thus will not be included in this current study.

Other preliminary findings of the study are:

□ Block grants for Fiscal Year 1975 compose an estimated 10 percent of the total Federal assistance; revenue sharing and general support aid 14.3 percent; and categorical grants 75.7 percent. Although the number of dollars going into categoricals has tripled since 1966, their percentage of the total has decreased (from 98 percent nine years ago.)

□ The trend of providing Federal grants directly to units of local government has continued over the past few years. In 1967, there were 68 grants from which funds could be paid directly to localities; at present, there are over 90, with an additional 46 which entail state review and comment, but not approval.

□ State aid to local governments totalled $48.9 billion in 1974, with most of the money going into four programs: education, highways, welfare and general local support. In addition, the provision of financial assistance for programs and functions of an urban-municipal character has grown over the past five years. In 1972 there were some 220 programs of state assistance for such functions, totalling nearly $1 billion.

The purpose of the ACIR grant study is to evaluate the traditional and recent issues involving Federal categorical and block grants and design ways to enhance their effectiveness. In addition, the study will look at the changing and crucial role of the states in the intergovernmental picture.

The Commission considered the first portion of the study, a chapter on target grants (those which "target" their funds to specific areas or groups), at its September meeting.

At its November 16-18 meeting, the Commission will begin its review of the block grant experience, specifically the Safe Streets and Partnership for Health programs, and will look at Federal efforts to standardize and simplify assistance administration (including GSA circulars FMC 74-7, 74-4, and 73-2). The remaining block grant proposals and state aid to local governments will be considered at the following meeting. The entire report should be completed in the fall of 1976.

Public Sector Growth Study: An Update

Fifty years ago Federal spending was so miniscule that the total dollars spent would not pay for one month's interest on the Federal debt today. Thirty-five years ago total state-local spending was less than today's budget for New York City alone. But these dollar examples, while striking, are far less meaningful than the fact that total government spending consumed 11 percent of the gross national product in 1930, 23 percent in 1950, and 33 percent in 1974.

While there are many explanations of the changes in the role and size of government, and numerous observers find little reason for concern, this past year, a period of economic difficulty, has been marked by repeated expressions to the effect that such public sector growth portends ominous effects on incentives, capital formation, the vitality of our economy generally, efforts to deal with chronic inflation, and even certain of our freedoms. ACIR has begun to look at parts of this subject.

"The Growth of Government Spending and Taxing: Intergovernmental Causes, Effects, and Policy Options" is the tentative name of the Commission study now underway. The first part of this study will attempt to identify causes and generators of public sector growth and the resulting positive and negative effects. Particular attention will be paid to the state-local sector and the Social Security system which have accounted for the largest components of growth during the last 20 years.

ACIR will also focus on institutional factors which tend to dilute, transfer, or bypass legislative control and accountability, including elastic revenue sources such as the Federal and state personal income taxes, Federal and state mandating of expenditure burdens on lower levels, and indexed Social Security payments and public employee pensions. The study will also examine ways legislative bodies can, if they wish, take steps to insure that spending and taxing are, with fewer exceptions, authorized by closely linked, deliberate legislative actions that the public can be aware of and attempt to influence. Indexation of income taxes, revision of "super-indexed" Social Security and pension benefits, expenditure limitation incentives and devices, and curbs on Federal and state mandating are among the current proposals that ACIR will evaluate.

The second portion of the study will deal with the direct impact of public sector growth and related taxation on taxpayers in general and on the lower and lower middle income taxpayer in particular. Preliminary calculations show that the average family's tax burden has risen from about 12 percent to 24 percent of total family income during the last 20 years, representing a much faster rate of growth than applied to wealthier people.

With reference to the tax impact on lower and lower middle income families, the ACIR study will examine a number of current policies, including Federal income tax treatment of state and local taxes that allow wealthier taxpayers more generous write-offs; further use and refinement of "circuit breakers" to reduce regressivity in the overall tax system; the treatment of renters versus home owners under Federal and state income tax laws; and possible modification of Social Security financing.
Closing The Regional Income Gap
(1929-1974)

The gap between the per capita income levels of “rich” and “poor” states in this country has narrowed considerably over the past 45 years, according to statistics compiled by ACIR.

The extent of equalization may be illustrated by a comparison of the extremes: In 1929, Mississippi, the state with the lowest per capita income, was 41 percent of the national average. Today it is 69 percent. Connecticut, the “lower 48” state with the highest per capita income was 146 percent of the U.S. average in 1929; today it is 119 percent.

This “equalization” of income seems to show up most dramatically in regional patterns with the less affluent states in the Southeast, Plains, and Southwest reflecting the most improved status.

As the chart to the left illustrates, the Southeast had the most significant gain: its per capita income rose from 53 percent of the national average in 1929 to 83 percent in 1974. In addition, it was the only region to experience sustained growth over the entire 45-year period.

The East, although still the wealthiest region, suffered the greatest relative decline: its per capita personal income fell from 150 percent to 116 percent of the national average between 1934 and 1974. New York State suffered the most: its per capita income fell from 165 percent to 115 percent of the U.S. average between 1929 and 1974.

The intergovernmental relations significance of this narrowing of income gaps is four-fold: it strengthens the case for decentralized revenue-raising by states and their local governments whose income bases have become relatively strong; it augments the capacity of the states to deal with critical intrastate disparities; it decreases the need for equalizing Federal aid (although most Federal-aid programs are not equalizing and overall aid is only mildly equalizing); and it flattens formula distributions where income or other need factors related to income are built into the formula, as they are, for example, in general revenue sharing.
The County Year Book 1975. National Association of Counties/International City Management Association Joint Data Center, 1140 Connecticut Avenue, NW., Washington, D.C. at $15.50 per prepaid copy; $17.50 if billed. The National Association of Counties and the International City Management Association have published the first of what is to be an annual volume to provide statistics, background, current information, and trends of action in and affecting the counties. The book is designed to serve as a source for those employed by and serving counties as well as those who study or work with those governments. It is similar to ICMA's annual Municipal Year Book which provides related information on cities.

Articles written by NACo-ICMA staff and others knowledgeable in the field deal with trends and developments in administrative and legislative action at the Federal and state level affecting counties, with innovations in management and administration, and with such specific subject areas as planning for and delivering human services, environmental management and health, law enforcement agencies, solid waste management, recreation, and parks. Supporting statistics in each area provide a wealth of information to the reader. The volume also contains a directory of county officials, state associations of counties, and state agencies of community affairs.

Toward More Balanced Transportation: New Intergovernmental Proposals. The Advisory Commission on Intergovernmental Relations, 726 Jackson Place, N.W., Washington, D.C. 20575. Single copies are free. This publication is the subject of a detailed discussion on pages 6-11 in this magazine.

American Federalism: Toward a More Effective Partnership. The Advisory Commission on Intergovernmental Relations, 726 Jackson Place, N.W., Washington, D.C. 20575. Single copies are free. In February 1975, the Advisory Commission on Intergovernmental Relations convened its first national conference titled "The National Conference on American Federalism in Action." Over 350 representatives of Federal, state, and local governments, academia and public interest organizations and foreign visitors spent three days closely examining American federalism as it operates today.

Toward a More Effective Partnership is an overview of that conference and contains 11 selected papers from the sessions. The papers include those dealing with both the practical and philosophical; the present and the future. Among practical views were those expressed in the papers on state, city, and county modernization efforts by Governor Daniel J. Evans of Washington, Mayor Richard G. Lugar of Indianapolis, and County Judge Conrad M. Fowler of Shelby County, Alabama, and a realistic look at the workings and future of general revenue sharing by Senator Edmund S. Muskie of Maine. The philosophical views were expressed in the areas of coming public control versus property rights by Ralph R. Widner, director of the Academy for Contemporary Problems, Ohio State University; the search for, and importance of, equity in the federal system by Harlan Cleveland, director of International Programs, Aspen Institute for Humanistic Studies, Princeton University; and the future of federalism by Daniel Patrick Moynihan, then professor at Harvard University.

The Critical Hundred Days: A Handbook for the New Governor. The National Governors' Conference, 1150 Seventeenth Street, N.W., Washington, D.C. 20036. $10.00. Originally prepared as a handbook for the new governors elected in 1974, The Critical Hundred Days has been edited and reprinted in a new edition to serve as a source for those interested in the inner workings of state government. The book deals with issues ranging from the role of governors to the more specific concerns of staffing, executive department reorganization, personnel and appointments and management styles and roles. Dealing with the Federal bureaucracy, preparing budget and financial plans, and devising a legislative program are issues of importance to new governors and thus are of primary concern in the book. Charts giving provisions and procedures for gubernatorial transition in the states and critical dates in the transition process are helpful in comparing the situations faced by chief officials of the various states.

1975 Changing Public Attitudes on Governments and Taxes. The Advisory Commission on Intergovernmental Relations, 726 Jackson Place, NW, Washington, DC 20575. Single copies are free. Every spring for the past four years, the ACIR has commissioned a nationwide polling organization to gauge public opinion concerning tax instruments, Federal aid, and the effectiveness of the levels of government. Findings of the 1975 study, conducted in May, were:
- that Federal income tax and local government that provides the most for the tax dollar;
- that Federal income tax and local property tax draw about equal fire as the worst or least fair taxes;
- that general revenue sharing is strongly supported by the public;
- that the general level of governmental services and taxes to finance them should remain where they are or should be decreased.

1975 Changing Public Attitudes on Governments and Taxes describes these findings in some detail and breaks down the result of the four major questions by respondents' sex, age, education, occupation, geographic location, income, and race.

The Politics of Neglect: Urban Aid from Model Cities to Revenue Sharing. Bernard J. Frieden and Marshall Kaplan. The MIT Press, Cambridge, Mass. $14.95. The Politics of Neglect traces several major efforts of the Federal government to respond to the needs of the cities from 1965 through the early 1970s. Of primary concern in the book was the Model Cities Program, which the authors trace from its origins as what they call "the proposed grand coordinator of all the Great Society's urban expectations."
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