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MEMO

From
HUGH McKINLEY
City Manager

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To

Councilman Leon Williams

I understand you will be attending the Congressional-City conference and thought you might want this.

Hugh

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CITY COUNCIL OFFICE
CITY OF SAN DIEGO

League of California Cities

California Cities
Work Together

Joan -
For Congressional
trip

Sacramento, Ca. 95814
February 25, 1976

To: Mayors, City Managers and City Clerks in Non-Manager Cities

Subject: Congressional-City Conference -- March 14-16, 1976 -- Washington, D.C.
(Registration and hotel reservations should be made through National League of Cities, 1620 Eye Street, N. W., Washington, D. C. 20006 - Telephone No. (202) 293-7300)

City officials from California are urged to attend and actively participate in the forthcoming Congressional-City Conference. The meeting will provide the best opportunity to effectively present the case for reenactment of general revenue sharing to the California Congressional Delegation as a whole. While the Congressional-City Conference itself will be devoted exclusively to general revenue sharing reenactment, a series of special workshops and events have been scheduled specifically for California's city officials in attendance. These workshops and events will bring together city officials with key Congressional members on the appropriate policy committees and their staffs to exchange views and advocate the cities' positions. Principal areas of concern will be:

1. Pinpointing the specifics of a bill to reenact general revenue sharing with long-term, multi-year funding.

2. Unemployment - private sector stimulation and continuation of public service employment.

3. Federally-mandated personnel costs - unemployment insurance - H.R. 10210 and Fair Labor Standards Act update.

4. Federal collective bargaining - status and strategy discussion.

To assist those city officials who are able to attend in preparing for the Conference, there is attached to this letter (a) a program outline with special California events listed and (2) issue papers on each of the four basic subjects listed above.

We hope you will make this material available to those from your city who will be attending the Congressional-City Conference. Advance preparation is essential. The goal of the meeting is not to listen to a series of speeches but rather to effectively demonstrate to your individual Congressman that cities are equipped to manage their own affairs given sufficient revenue and flexibility.

We hope you will join with us.

Don Benninghoven
Executive Director

Mayor Pete Wilson
President
League of California Cities

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CALIFORNIA DELEGATES' PRELIMINARY PROGRAM

CONGRESSIONAL-CITY CONFERENCE
March 14-16, 1976 Washington Hilton Hotel
Washington, D.C.

(* Denotes Special California Events)

SUNDAY, MARCH 14, 1976

11:00 A.M. Registration opens

6:00 P.M. WELCOME RECEPTION FOR DELEGATES (HILTON)

Evening Free

MONDAY, MARCH 15, 1976

9:00 A.M. OPENING GENERAL SESSION (HILTON)

9:30 A.M. Presidential Addresses:
Mayor Hans Tanzler, Jacksonville, Florida
President, National League of Cities

Mayor Moon Landrieu, New Orleans, Louisiana
President, U.S. Conference of Mayors

Addresses: "Two Views on Revenue Sharing"

12:00 Noon GENERAL LUNCHEON SESSION

Address: "The Cities' Role in Reenactment of Revenue Sharing"

2:00 - 3:15 P.M. REGIONAL MEETINGS (HILTON)

California Delegates will meet as part of the Western Region, which also includes Alaska, Washington, Oregon, Arizona, and New Mexico. Agenda items will include:
(1) Strategy and issues briefing
(2) Regional "headcount"
(3) Press strategy briefing

*3:30 - 4:30 P.M. CALIFORNIA CAUCUS (HILTON)

(1) Issues discussion: "Urban Economic Recovery- A Must for California Cities"

(a) Revenue Sharing Reenactment - California strategy

MONDAY, MARCH 15, (Continued)

(b) Unemployment - private sector stimulation and continuation of public service employment

(c) Federally-Mandated Personnel Costs - Unemployment Insurance (H.R. 10200) and FLSA update.

(d) Collective Bargaining - status and strategy discussion

(2) Organization for Tuesday A.M. meetings with California Legislative Committee Members: Delegates grouped according to personal interest around Chairpeople, who conduct short discussion on arrangements and content of meetings.

*5:00 - 6:30 P.M. — CALIFORNIA RECEPTION FOR CONGRESSIONAL DELEGATION
Public Works and Transportation Hearing Room - Room 2167, Rayburn Building

Evening Free

TUESDAY, MARCH 16, 1976

8:00 A.M. — REVENUE SHARING STRATEGY BREAKFAST (HILTON)

Speaker

9:15 A.M. — CONGRESSIONAL CONFERENCES

Buses begin leaving Hilton for Capitol Hill

9:45 A.M. - 1:30 P.M. — City Officials confer with members of their own Congressional Delegations

10:00 METRO 2 hrs

*~~10:00 - 11:00 A.M.~~ Lunch 1:30 — Concurrent California Delegate Meetings with key Legislative Committee Members and staff. (Senate or House Office Buildings).

(1) General Revenue Sharing: House Government Operations Committee: Congressmen Moss, Ryan, John Burton, McCloskey (This meeting may be preempted by a national meeting with the entire committee.)

(2) Public Service Employment and Employee Relations: Senate Labor and Public Welfare Committee: Senator Cranston; House Education and Labor Committee: Congressmen Hawkins, Phil Burton, Miller and Bell.

(3) Unemployment Insurance: House Ways and Means Committee: Congressmen Corman, Stark, and Ketchum. (Members to be invited; attendance not confirmed.)

TUESDAY, MARCH 16, (Continued)

12:00 - 3:00 P.M.	"Feedback Center" Open for Reporting in on Revenue Sharing Discussions with Congressmen (House Office Building).
*1:30 - 2:00 P.M.	California Feedback Session on Special State Meetings (House Office Building room near conference "Feedback Center").
2:00 - 3:00 P.M.	Conference Wrap-Up meeting in "Feedback Center".

(Note: scheduled Greyhound limousine service for Dulles Airport leaves the Washington Hilton at 3:40 P.M. in time for 5:30 flights)

ISSUE PAPER

REVENUE SHARING REENACTMENT

The campaign by California cities for the reenactment of general revenue sharing seems to be proceeding well. We are encouraged by the substantial number of California Congressmen who are committed to vote for reenactment. Nevertheless, because the program is so vital, it is important that city officials continue to press for an early reenactment utilizing the present distribution formula.

The key to an effective lobbying effort in Washington is thorough preparation by city staff for each city official now. We suggest that city officials bring with them the following information:

1. Total revenue sharing expenditures by their city since 1972 identified by function.

2. If revenue sharing is not reenacted, what in the way of a specific increase in the property tax will be required and/or how many employees will be layed off?

3. The importance of early reenactment as documented by a summary of the local budgetary timetable requirements.

4. Evidence of support for reenactment from civic and citizen groups who benefit from revenue sharing.

In early February it was announced that Chairman L. H. Fountain (D-North Carolina) will begin mark-up of revenue sharing legislation in his Intergovernmental Relations Subcommittee during the week of February 23. Mark-up means that committee members will go through the legislation section by section, adding or deleting phrases as necessary. Beginning of mark-up has been long awaited and signals the beginning of serious congressional consideration of reenactment. Among the major issues to be resolved will be the following:

The formula for allocation of funds.

League position: Continuation of the distribution of funds directly to states and general purpose governments using the existing distribution formula which reflects need, population and tax effort.

Waiver of the May 15 rule.

Temporary extension.

League position: Long-term, multi-year funding.

Priority categories and program restrictions.

League position: No additional categorization or program or project restrictions on the use of the funds.

Civil rights enforcement.

League position: Enforcement of civil rights provisions of the Act to guarantee nondiscriminatory expenditure of funds with adequate

provision for due process for all individuals and governments involved; enforcement responsibility for all civil rights provisions consolidated in a single federal agency.

Citizen participation.

League position: Guarantee of public hearings providing for citizen participation in revenue sharing expenditures should be conducted by recipient governments as part of their normal budget process.

For the purposes of this background paper we will focus on the first three issues exclusively:

FORMULA: The revenue sharing formula is likely to undergo vigorous review by the Subcommittee. Pressure is building by revenue sharing critics to make the existing formula more "responsive to need." The critics appear to be rallying around H.R. 10319 introduced by Dante Fascell (D-Fla.). The Fascell bill makes several significant changes in the existing formula:

1. It raises the 145% maximum per capita payment to 300%;

2. It eliminates the 20% per capita floor;

3. It raises the minimum payment from $200 to $2,500;

4. It replaces the per capita income factor with the percentage of people below the poverty line; and

5. It readjusts the tax effort factor to exclude income earned by persons below the poverty line.

The net effect of these changes is three fold:

it eliminates approximately 13,000 recipient governments, mostly townships and very small municipalities;

it shifts the overall flow of funds from the urban industrialized states to the rural states; (All local governments in California combined would lose $117 million over the 5 year period under the Fascell bill.)

within each state, it significantly increases the allocations for the larger, older central cities and decreases the allocations for counties and small and medium sized municipalities. (Within California, cities combined would lose $29 million. A few large cities would gain.)

The Fascell bill may pose a serious threat to the unity that we have been able to achieve within the state-county-city coalition.

WAIVER OF THE MAY 15 RULE: The reenactment legislation may only be considered on the floor of the House or Senate before May 15 if a waiver to the Budget Act can be obtained. We have been assured by Senator Muskie (D-Maine), Chairman of the Senate Budget Committee, that a waiver is possible. In the House, however, Brock Adams (D-Wash), Chairman of the Budget Committee, has indicated that no waiver will be granted. We do not believe that this is the time to press the House Budget Committee for a waiver. Members are extremely sensitive to any circumvention of the Budget Act, and any discussion of a waiver would only provide additional ammunition for the revenue sharing opponents. We do believe, however, that if we can get a bill reported out of the Government Operations Committee before May 15, that we can then mount a campaign to get the legislation considered on the floor.

TEMPORARY EXTENSION: During the past month, there has been growing discussion about a six month to one year extension in order to provide the Congress with additional time to consider the long range funding of revenue sharing. Phil Burton (D-Calif), Chairman of the Democratic Caucus, told a group of freshmen Congressmen that a one year extension would provide local officials with the funding they need for FY '77, and at the same time allow the next Administration and the next Congress the opportunity to make the final decision about the future of revenue sharing. While such an approach would alleviate the immediate uncertainty over FY '77 revenue sharing payments, we believe that a temporary extension should not be pursued because:

it would establish the precedent of annual funding for revenue sharing;

it would necessitate mounting a dual reenactment campaign, and asking the cities to sustain their lobbying efforts for an additional 18 months; and

the next Administration and Congress may be less favorably disposed towards revenue sharing. This year we have the strong backing of the President for a 5-3/4 year extension and have commitments for reenactment from a large percentage of the Congress. This level of support could be seriously diluted by the fall elections.

ISSUE PAPER

UNEMPLOYMENT - PRIVATE SECTOR STIMULATION AND CONTINUATION OF PUBLIC SERVICE EMPLOYMENT

ISSUE: As Mayor Tom Bradley of Los Angeles stated before the Vice President's Public Forum on Domestic Policy, "Among those who run the cities our 'primary concern' is the problem of unemployment. We can very well talk about the improvement in the economy and the fact that we have a fewer number of unemployed than we had six months ago, but I'm sorry that's still not much comfort to those who are still unemployed!"

At least two simultaneous approaches should be discussed in detail with Congressmen. The first is to explore ways by which the private sector can be encouraged to aid in the unemployment problem. Tax incentives, subsidies and economic recovery programs are just a few of the approaches now being debated in Washington.

Public employment is the other major thrust to gradually improving the unemployment crisis. The Comprehensive Employment and Training Act (CETA) expires at the end of the 1975-76 fiscal year. More importantly, however, financing under CETA will run out prior to any refunding program. Thus there are two key elements to the CETA issue: (1) the reenactment of CETA, (2) the provision of immediatee revenue to fund CETA jobs during the "short fall" period.

BACKGROUND ON CETA: Legislation to continue Title VI of the Comprehensive Employment and Training Act (CETA) has been passed by the House of Representatives. This measure is H.R. 11453 (Daniels) and represents reenactment of CETA Title VI in essentially its current form. We understand that the Senate may have its own measure and that the Senate version will be somewhat different. City officials should discuss CETA with their representatives and should remind them that Title VI is an extremely important element of this program and should be continued at the same level at a minimum.

Of key importance during discussions with your representatives in Washington will be factual citations of the success which you have had with CETA.

2/25/76

ISSUE PAPER

FEDERALLY-MANDATED PERSONNEL COSTS -
UNEMPLOYMENT INSURANCE -- H.R. 10210

ISSUE: There is currently an attempt underway in Congress to pass mandatory legislation requiring unemployment insurance coverage for local and state governments. A mandatory unemployment program would cost literally billions of dollars and the need for this legislation simply does not warrant the level of expenditure which it would require. The estimated cost to the citizens of California state and local governments would be over $250 million during the first year alone.

BACKGROUND: H.R. 10210 (Corman) is awaiting action before the House Rules Committee. This measure would mandate unemployment insurance coverage for all local and state government employees. The costs of the proposal are extremely high and this bill represents a cure which is worse than the disease it attempts to address.

It is important to note that there are other provisions of H.R. 10210 which do not affect local government and to which we are not opposed. If H.R. 10210 or other similar proposals are approved by Congress, however, it is essential that amendments be made to exclude the mandatory provisions requiring local government to pay unemployment insurance taxes.

There are in excess of one million state and local government employees in California. H.R. 10210, as applied to California, would require governmental employers to pay a new tax equal to approximately 3.6% on the first $8,000 of salary paid to all employees. This would amount to approximately $250 per employee per year. Thus, the cost of H.R. 10210 to the taxpayers in California would be conservatively estimated at between $200 and $400 million annually.

It is ironic that the Congress should be discussing mandatory coverage of local government under unemployment insurance laws while at the same time local government must plead for reenactment of federal manpower programs designed to allow them to keep their employees on the payroll. If H.R. 10210 becomes law, local government will again be faced with the choice of either increased local taxation or reduced governmental services. Due to the unavailability of additional tax resources and earlier cost saving cutbacks by local governments, there is only one alternative remaining to many jurisdictions -- reduction of the work force. This would simply make the unemployment crisis worse, not better.

Congress must be made to realize that the local government property taxpayer simply cannot fund such an expensive program. Moreover, the record of lay-offs in local government does not reflect a condition which warrants this level of drastic tax increase upon the American public.

2/25/76

ISSUE PAPER

FEDERAL COLLECTIVE BARGAINING

ISSUE: Over the past few years there has been renewed interest in Congress and among public employee unions for the passage of a federal collective bargaining law governing local public employees. Passage of such a statute would be an inappropriate expansion of federal laws into an area which can better be regulated through local and state measures.

BACKGROUND: Both the League of California Cities and the National League of Cities have consistently assumed the posture that the area of public employee labor relations is so vital to the basic framework of local government that it is not an area in which the Federal Government should legislate specific criteria or general standards.

Moreover, there is no need for federal legislation in the public employee labor relations field. This subject can be more appropriately addressed in state laws tailored to fit the needs of California and other states and through local ordinances designed to implement these state laws. The element of local government which all citizens know best is the level of taxation they must bear and the issue which most directly affects this level of taxation is the compensation of public employees. In this era of scarce resources, high levels of taxation, and citizen disenchantment with governmental entities, we should not be considering federal legislation which would move one of the most fundamental concerns of local government farther from the people.

As the National League of Cities policy states, Congress must respect the constitutional right of states and state authorized local government instrumentalities in this field. Congress should refrain from enactment of any federal law which either directly or indirectly affects municipal employee conditions of work in such a way as to be inconsistent with the functional requirements of public employment; or to adversely affect the independence and integrity of municipal government priority, policy, and budgetary decision-making. Further, Congress should refrain from enacting any law mandating collective bargaining for public employees, legalizing strikes, or compelling binding arbitration.

2/25/76