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Folder Title:
National Conference of State Legislators 3/11/92 [OA 7569]

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*We are about to
propose block grants
again . . .*

*Donna Rivilli
395 x 5090*



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*Will consult w/ state
legislatures re: block
grants before we
make annual proposal.*



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add:

~~Mr.~~ Bob Conn^{OR}~~ie~~

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café

LA FUENTE
Mexican Restaurant


POMPANO'S
Seafood Restaurant

Champions
THE AMERICAN SPORTS BAR


The Arbors
RESTAURANT
26

- ✓ ALEC speech - ^{2/21} cards, not as-delivered → Sarah will get for AF
 - ✓ unfunded mandate info (sou, etc.) get examples
 - ✓ status of block grants (sou ^{7/1} 1991)
 - ✓ Call Mary x6697
-

Mandates

OMB Legis. Aff.

→ Julie x4790

Admin. is working w/ NGA & state legislatures to compromise on a deal that would satisfy ~~everyone~~ everyone.

→ talk to Frank Hodson's Office re: language.
x6190
Donna Rivilli 395-5090

Medicaid - States have practically gone bankrupt on some proposals

DRAFT 1/20/92

The Bush Record on

FEDERALISM

"And we are committed to moving power and decision-making closer to the people. Because at the bottom line, our idea of federalism comes down to four simple words: more flexibility and fewer mandates."

-- President George Bush
March 1, 1991

George Bush has demonstrated a firm commitment to maintaining a balance between the federal government and its state and local partners. He has reaffirmed Executive Order No. 12612, instructing all departments and agencies to give the greatest discretion possible to State and Local governments in carrying out policy. He has urged Regulatory Flexibility to allow small entities to use their own common sense in solving their own problems. He has encouraged states to adopt reforms in tort law that would not be mandated. And he has proposed turning over \$15 billion in federal programs --and funding--to the states.

Federalism: Guiding Principles

The Bush Administration's philosophy on federalism is embedded in the Tenth Amendment to the Constitution: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Federalism Executive Order No. 12612

On February 16, 1990, President Bush reaffirmed as "central to my Administration" Executive Order No. 12612, issued when he served as Vice President. In his Memorandum to the Heads of all Executive Departments and Agencies, the President instructed that a Federalism Assessment be prepared and considered before implementing any policy which would impose additional costs or burdens on States and local governments.

The Regulatory Flexibility Act

President Bush is committed to the "commonsense approach" of the Regulatory Flexibility Act and has directed all Federal departments and agencies to follow the spirit and the letter of that law. The RFA requires Federal agencies to analyze fully the

THE WHITE HOUSE

WASHINGTON

effects of their regulations on small entities--government, non-profit, and business. If there is a significant economic impact, the agency must consider alternatives and actively involve the affected entity in developing and reviewing the regulations.

The Model State Volunteer Service Act

In December, 1990, the President proposed a bold new initiative asking that States adopt a version of a Model Act to protect volunteers from undue risk of tort liability while performing services for others. In keeping with the principles of Federalism, the Bush Administration believes States can best act independently in developing responses to a national concern.

The \$15 Billion Block Grant Proposal

President Bush proposed in his January 29, 1991, State of the Union Message that \$15 billion in Federal programs be turned over to the States for flexible management by the States. Representatives of State and Local governments were asked to submit their recommendations on which programs should be included. Legislation will be introduced in the 102nd Congress to implement the proposal.

Remarks to the National Association of Towns and Townships September 6, 1991

Please be seated, and thank you, Butch, for that introduction. I salute the president of NATAT. And it's a pleasure to have this opportunity to address the board of directors and all the members or many of the members, those of you here today of the National Association of Towns and Townships. I love that town meeting concept. At the outset, let me simply thank those who were responsible for the lovely quilt that was left for me here in the holding room. I'm just sorry that Barbara is not here to revel in it already, but I guarantee you she'll see it when I get back to the White House. *[Laughter]*

You know, this week doesn't mark the end of summer just for schoolchildren across the country. And I'm back at my desk, too. But I won't bore you with a speech titled, "What I did on my summer vacation." *[Laughter]* Okay though, I will tell you my reaction when I received a phone call on August 19th saying, "It's a crisis!" I responded, "Look, I've already heard enough about Barbara's golf game." *[Laughter]* Some of you may have remembered the way I characterized her golf game, and I'm still living it down. *[Laughter]*

But thank you for giving me this chance to meet with you today. You know, Ike, President Eisenhower, talked of "the great and priceless privilege of being raised in a small town". I understand some of that because I, too, had that privilege. The towns of my youth and of my children's youth were all very different from each other, from the tree-lined streets of Greenwich, Connecticut, to the salt air of little Kennebunkport, to the dusty oil-patch towns of Odessa, Texas, and Midland, Texas. But they also had much in common, the same thing that I think this meeting, all the people here, have in common.

Our towns nurture dreams, and they nourish values. Think of the ideals of integrity, hard work, and caring for others instilled in a young boy growing up in Pinpoint, Georgia. Today, that man stands ready to serve on the highest court in this land. Clarence Thomas embodies the vir-

tues America and all her towns and townships hold dear. Just before coming over here, I just had a cup of coffee with Clarence, with Judge Thomas. And I am more convinced than ever that I have appointed the right man for the Supreme Court. And I expect and hope that he will be confirmed.

I am delighted to be here with people from the towns that really form this Nation's backbone. You know what Thomas Jefferson meant when he said American townships "have proved themselves the wisest invention ever devised by the wit of man for the perfect exercise of self-government and its preservation."

You understand the problems that challenge our country. You understand them not from a bureaucrat's safe distance but from the embattled position of public servants whose neighbors call to complain about services or the lack thereof. And you understand the real basics of local government, and that's why you are our country's future and our country's hope.

Our domestic policy begins with you, the people of this land. Here in Washington and in the States, politicians and officials have learned that we can't just hurl money at problems. We take enough of people's money as it is. And if we want to do our jobs, we must make better use of the vast sums already at our disposal. More fundamentally, we must recognize the genius of our own people. And we must trust them, and trust you, to find answers that do good things to make America work. We must make our government more responsive, more local. And we must learn from the real professionals, you, the NATAT representatives. You're the voice of small-town America.

And that's a considerable voice. I'm not sure many in the country understand this. That is a considerable voice, of course. Eight of ten, eight of ten governmental bodies in this Nation represent communities with 5,000 or fewer residents. And you will have to help others. The examples you set will help teach the other 20 percent how, in these difficult times, that they can cope and innovate and make ends meet.

Your strengths begin with your commitment to the American idea of civic respon-

sibility. Many of you are part-time officials, I'm told, volunteers. And you give your time to your communities. You emphasize creativity and innovation, what folks in my birthplace of Milton, Massachusetts, referred to as "old-fashioned Yankee ingenuity." And sometimes you exhaust your ingenuity just trying to escape the regulatory handcuffs that are placed upon you by Federal and State mandates. And I am concerned about those mandates. The President simply can't wave a wand, given our Federal system, given our system of Congress and the executive branch, can't wave a wand to correct all these things. But I believe strongly in the importance of cooperation among all levels of government.

Our administration also remains committed to the commonsense approach of the Regulatory Flexibility Act, one that lets you use your own common sense to solve your own problems. And I will direct Federal departments and agencies to follow the spirit and the letter of that law.

Speaking of creativity, I want to add my congratulations to Bill Herman of Weare, New Hampshire. Bill won your Grassroots Government Leadership Award by producing ideas for cutting costs without slashing services. Now, maybe I should call on him—*[laughter]*—I'd like him to help me solve one big problem, because when I asked my staff how we can improve our crisis management, they said, "How about a calendar that doesn't have August on it?" *[Laughter]* Think back a year, and then look at this August, and you'll know what I'm talking about. *[Laughter]*

All of you here have helped develop public-private partnerships, a crucial concept as we gear up for the unique problems of the 21st century. The alliance between your National Center for Small Communities and private sector sources, like the Kellogg Foundation, sets an example for others to follow.

Because of your strengths, your successes, and your leadership today, I ask you to lead one of our greatest battles: making our Nation's schools the world's best.

You know, our administration introduced an education strategy 5 months ago. We call it America 2000, and it involves four different tracks: accountable schools for today—and get that word accountable—accounta-

ble schools for today; a new generation of schools for tomorrow; a Nation of students committed to a lifetime of education; and fourth, communities where learning can happen.

Now, you play a critical role in making that entire strategy work, and especially track four: building communities that value, support, encourage, and advance education. It's no coincidence that we historically have entrusted this fundamental responsibility—education—to communities. And we now call upon you to enlist in our national crusade to improve education community-by-community.

First, let's adopt the education goals established 18 months ago following that Charlottesville education summit with the Nation's Governors. Then you can begin to develop a community plan to reach the goals to design a report card to measure your progress and to create your own "break the mold school," one that builds upon your unique strengths and takes into account your special needs and circumstances.

We're talking about a revolution. We're talking about communities literally starting from scratch and redesigning schools that can cope and meet these broad goals that have been set out. It's not going to be done from the center. The Department of Education can help, State education associations can help, teachers' unions can help, but it can't be done there. It's got to be done at the local level. And as we immerse ourselves in the challenges of the nineties, or administration also will look to you for leadership in other areas.

For instance, Congress is now debating, or will soon be again debating, the 5-year reauthorization of the Nation's surface transportation system. Now, we need your help in getting a system that spends money to address needs and not just support politicians' careers. We've called in our bill for increased investment in infrastructure. Some think spending a lot of money is the only answer. Not so; we need more sensible programs. More than half of all congressionally mandated transportation projects don't even show up on State priority lists. You might like some of the programs your Member of Congress slips into legislation.

But in the end, Congress usurps local power for its own purposes, making decisions in Washington that affect the lives and the pocketbooks of people in Berea, Kentucky, or Mount Wolf, Pennsylvania.

So, if Congress sends me a transportation bill with another tax, with a gasoline tax on it, I'm going to veto it. We must not let Congress raise the gas tax for projects that towns don't even need. And we won't let it raise a tax that will do nothing except squeeze the local economies and lighten the workers' already-thin pocketbooks. Now, our highway bill, my highway bill, will invest in infrastructure without raising taxes or busting those budget caps, meaningful controls on spending now placed upon the Congress of the United States.

We believe in letting communities shape their own futures, and this belief lies at the heart of our Community Opportunity Act. This proposal invites communities to think of new ways to solve old problems, and it lets all of us adopt a more flexible approach to domestic social programs. You see, it puts the emphasis on results and not on procedures cooked up back here in Washington, DC. After all, when someone wants food or shelter or schooling, what's more important, the service or the government paperwork?

And this commonsense approach, giving local governments greater flexibility, led us to propose turning over \$15 billion in so-called "Federal money" to the States, no strings attached. And it was paid for under our proposals. This initiative will give decision-making power to the people whose lives those decisions will affect. And quite simply, that's the fundamental principle on which our administration functions.

This turnover proposal, and the act itself, grow out of the basic assumption that government assistance programs should lead people to self-sufficiency. There's no better way to do this than by rebuilding those programs from the bottom up based on plans developed right at your level, right at the community level.

I talked about Jefferson earlier, and if we want to remain true to the spirit of his philosophy, we must empower communities to control their own futures. Our domestic policy isn't a spending policy; it's designed

to increase personal freedom and to produce results, not just a lot of expensive rhetoric. And this is the way to approach all of this country's challenges. It's an extraordinary opportunity, and it's essential that we get it enacted and in use.

So, I wanted to come over here and thank you, the leaders of this organization all attending this conference, for your work and, really, for the example you set for so much of America. I expect it's hard for some of you to realize that when it's all put together, you really are setting an example for this country. Even with whatever problems our towns may face, I know that we'd all agree with writer Catherine Sedgwick, who loved her town of Stockbridge, Massachusetts. And someone once told her that she spoke about Stockbridge as if it were heaven. "Well," she replied, "I expect no very violent transition." [Laughter]

So, not only are you solving problems but let me just end by another thing that is on my mind. I am concerned as President of this country about the pressures on family. I am concerned as I see family values sublimated. I am concerned as I see the breakup of many families. And somehow I have the feeling that you, the representatives in NATAT, understand what I'm talking about here. I think you in your work, keeping that government, keeping the solutions close to the people, are really doing something constructive about family values, about strengthening family in these times when the families across our country are under an awful lot of strain.

So, good luck to you, all of you, and may God bless the towns to which you return. Thank you very, very much.

Note: The President spoke at 10:05 a.m. in the Regency Ballroom of the Hyatt Regency Hotel, Capitol Hill. In his remarks, he referred to Lothar "Butch" Wolter, Jr., president of the National Association of Towns and Townships; Clarence Thomas, nominee for Supreme Court Associate Justice; and William G. Herman, member of the board of selectmen of Weare, NH.

Exchange With Reporters Prior to a Meeting With Secretary of State Baker September 6, 1991

Q. Good morning, Mr. President. Good morning, Mr. Secretary.

The President. Good morning, Helen [Helen Thomas, United Press International]; enjoyed seeing you here today, and I noticed how President Carter saluted you yesterday. I thought that was very nice.

Q. I didn't think so. [Laughter]

The President. Let me just make a couple of comments, and then I'll take a couple of questions. But we're having a discussion here with the Secretary of State and the others that you see here.

And I have asked the Secretary to undertake a very important mission, yet another one. This one will take him to the Soviet Union, including stops in the Baltics, among others. And then, a very important part of this, is his trip back to the Middle East. It is very, very important, matters having come this far, that we do everything we can to give peace a chance.

And with that in mind, I am going to ask every single Member of Congress to defer, just for 120 days, consideration of this absorption aid package. We're interested in absorption aid; we take pride in the fact we've taken the leadership role in refugees coming, people coming to the Soviet Union [Israel]. But it is in the best interest of the peace process and of peace itself that consideration of this absorption aid question for Israel be deferred for simply 120 days.

I think the American people will strongly support me in this, and I am going to make this position as clear as I can to every single Member of the Congress and to the American people because we worked very diligently and many countries have, and Israel has as well as some of these Arab States, to come together at a peace conference. And this debate will take place later on. It should take place, but this is not the time for a debate that can be misunderstood, a debate that can divide.

So, my pitch that the Secretary has already made in two very friendly conversations with Prime Minister Shamir is: Let's defer it. The debate's going to be lively, the debate will be upcoming, but let's wait 120 days so we will take no chance of unravel-

ing a peace process that offers us the best hope for peace in decades, literally decades. And I feel very, very strongly about it.

I support those Senators and others in the Congress that have already taken a position on deferment. I think of Senator Leahy, for example, who has a very important role in all of this, and his constructive leadership, I think, will be remembered by all, on all sides of this question, that want peace. And there's others.

The Secretary's talked to a lot of the leadership, and I'll be following up now with many calls because we want to give peace a chance.

Aid to Israel

Q. What does Shamir say about this?

The President. Well, the Secretary's had two good talks. At this juncture I gather he wants to go forward. But as President of the United States I'm taking the strong recommendation, and strongly approve of it incidentally, but from the Secretary of State that this be deferred. And I think farsighted Members of Congress understand exactly why it should be deferred. We don't need an acrimonious debate just as we're about to get this peace conference convened.

Q. Mr. Bush, would you want the deferment if Israel had changed its housing, its settlement policy? If they were no longer putting up housing in the settlements, would you feel freer to go ahead with the—

The President. Our settlement policy is well-known. I don't want to have any debate on this question now. Everybody knows the United States policy about settlements, and that policy is not going to change. And I must do a better job convincing the people here and in Israel that we are correct on this, with our underlying desire for peace. But it isn't a question of that. My point here is: Defer discussion on all these matters now, and let's go to this conference that's just about put together. And I'm convinced that the debate we're talking about would be counterproductive to peace.

We've worked very, very hard. Everyone knows of our special and friendly relationship with Israel, and I feel strongly about that in my heart, but I know it is in the

(Hinchliffe/Blymire)
September 4, 1991 5 p.m.
NATAT.TS Draft Five

PRESIDENTIAL REMARKS: NATIONAL ASSOCIATION OF TOWNS AND TOWNSHIPS
September 6, 1991
Hyatt Regency, Washington, D.C.

You know, this week doesn't mark the end of summer just for schoolchildren across this country. I'm back at my desk too. But I won't bore you with a speech titled "What I did on my summer vacation." \ Well, okay: I will tell you my reaction when I received a phone call on August 19th saying: "It's a crisis!" I responded: "I've already heard enough about Barbara's golf game."

Thank you for giving me the chance to meet with you today. You know, President Eisenhower talked of "the great and priceless privilege of being raised in a small town." I understand because I, too, had that privilege. The towns of my youth and of my children's youth were all very different from each other -- from the treelined streets of Greenwich, Connecticut to the salt air of Kennebunkport to the dusty, oil-patch plains of Midland, Texas. But they also had much in common.

Our towns nurture dreams and nourish values. Think of the ideals of integrity, hard work, and caring for others instilled in a young boy growing up in Pinpoint, Georgia. Today, that man stands ready to serve on the highest court in this land. Clarence Thomas embodies the virtues America -- and all her towns and townships -- hold dear.

I'm glad to be here with people from the towns that form this nation's backbone. You know what Thomas Jefferson meant when he said American townships "have proved themselves the

wisest invention ever devised by the wit of man for the perfect exercise of self-government, and for its preservation."

You understand the problems that challenge our country. You understand them not from a bureaucrat's safe distance, but from the embattled position of public servants whose neighbors call to complain about services -- or the lack thereof. You understand the real basics of local government, and that's why you're our country's future and our country's hope.

Our domestic policy begins with you -- the people of this land. In Washington and in the states, politicians and officials have learned that we can't just hurl money at problems. We take enough of people's money as it is: If we want to do our jobs, we must make better use of the vast sums already at our disposal.

More fundamentally, we must recognize the genius of our own people. We must trust them -- trust you -- to find answers, to do good things, to make America work. We must make our government more responsive, more local. And we must learn from the real professionals -- you, the NATAT representatives. You're the voice of small-town America.

That's a considerable voice, of course. Eight of ten governmental bodies in this nation represent communities with 5,000 or fewer residents. And you will have to teach the other 20 percent how to live within their means.

Your strengths begin with your commitment to the American idea of civic responsibility. Many of you are part-time officials, volunteers. You give your time to your communities.

You emphasize creativity and innovation -- what folks in my birthplace of Milton, Massachusetts would call "old-fashioned Yankee ingenuity." Sometimes, you exhaust your ingenuity just trying to escape regulatory handcuffs placed upon you by federal and state mandates. I'm concerned about those mandates, and I believe strongly in the importance of cooperation among all levels of government.

Our Administration also remains committed to the common-sense approach of the Regulatory Flexibility Act -- one that lets you use your common sense to solve your own problems -- and I will direct federal departments and agencies to follow the spirit and the letter of that law. \\\

Speaking of creativity, I want to add my congratulations to Bill Herman of Weare, New Hampshire. Bill won your Grassroots Government Leadership Award by producing ideas for cutting costs without slashing services. \\ Maybe I should call on Bill's help in solving a big problem -- because when I asked my staff how we could improve our crisis management, they said: "How about a calendar that doesn't have August on it." \\\

All of you here have helped develop public/private partnerships -- a crucial concept as we gear up for the unique problems of the 21st Century. The alliance between your National Center for Small Communities and private sector sources like the Kellogg Foundation sets an example for others to follow.

Because of your strengths, your successes and your leadership -- today I ask you to lead one of our greatest

battles: Making our nation's schools the world's best.

Our Administration introduced an education strategy five months ago. We call it "America 2000," and it involves four different tracks: accountable schools for today; a new generation of schools for tomorrow; a nation of students committed to a lifetime of education; and communities where learning can happen.

You play a critical role in making the entire strategy work -- and especially Track Four: building communities that value, support, encourage and advance education. It's no coincidence that we historically have entrusted this fundamental responsibility -- education -- to communities. We now call upon you to enlist in our national crusade to improve education community-by-community. First, you must adopt the education goals established 18 months ago following the education summit with the nation's governors. Then you can begin to develop a community plan to reach the goals -- to design a report card to measure your progress -- and to create your own "break the mold school" -- one that builds upon your unique strengths and takes into account your special needs and circumstances. \\\

As we immerse ourselves in the challenges of the 90s, our Administration also will look to you for leadership in other areas. For instance, Congress is debating the five-year reauthorization of the nation's surface transportation system. We need your help in getting a system that spends money to address needs -- and not just support politicians' careers.

We've called in our bill for increased investment in infra-

structure. But, frankly, simply spending more money isn't the answer -- we need more sensible programs. More than half of all Congressionally-mandated transportation projects don't even show up on state priority lists. You might like some of the programs your member of Congress slips into legislation, but in the end, Congress usurps local power for its own purposes -- making decisions in Washington that affect the lives and pocketbooks of people in Berea, Kentucky, or Mount Wolf, Pennsylvania.

So: If Congress sends me a transportation bill with a gasoline tax, I will veto it. We must not let Congress raise the gas tax for projects towns don't even need. We won't let it raise tax that will do nothing except squeeze local economies and lighten workers' already-thin pocketbooks. My highway bill will invest in infrastructure without raising taxes or busting budget caps.

We believe in letting communities shape their own futures - and this belief lies at the heart of our Community Opportunity Act. This proposal invites communities to think of new ways to solve old problems -- and it lets all of us adopt a more flexible approach to domestic social programs. It puts the emphasis on results, and not on procedures cooked up in Washington. After all, when someone wants food or shelter or schooling, what's more important, the service -- or the government paperwork?

This common-sense approach, giving local governments greater flexibility, led us to propose turning over \$15 billion in federal money to the states. This initiative will give decision-making power to the people whose lives those decisions will

affect. Quite simply -- that's the fundamental principle on which this Administration functions.

This "turnover proposal," and the Act itself, grow out of the basic assumption that government assistance programs should lead people to self-sufficiency. There's no better way to do this than rebuilding these programs from the bottom up: based on plans developed right at the community level.

I talked about Jefferson earlier: If we want to remain true to the spirit of his philosophy, we must empower communities to control their own futures. \\ Our domestic policy isn't a spending policy -- it's designed to increase personal freedom and to produce results -- not just expensive rhetoric. This is the way to approach all this country's challenges -- it's an extraordinary opportunity and it's essential that we get it enacted and in use.

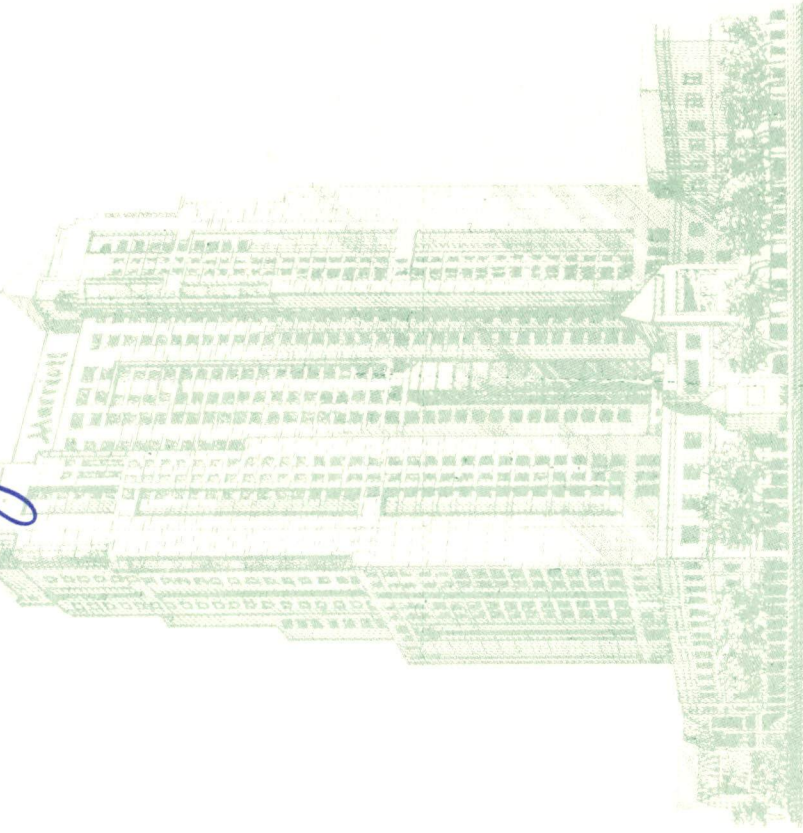
Thank you for your work and your example. Even with whatever problems our towns may face, I know we'd all agree with writer Catharine Sedgwick, who loved her town of Stockbridge, Massachusetts. Someone once told her that she spoke about Stockbridge as if it were heaven. "Well," she replied, "I expect no very violent transition." \\

Good luck to all of you -- and may God bless the towns to which you return.

#



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OFFICE OF MANAGEMENT AND BUDGET**FAX COVER SHEET****NUMBER OF PAGES:** 27

(Excluding this Cover Sheet)

DATE: 3/11/92**TO:** Carol Aarhus**AGENCY & ROOM NO:** WH**OFFICE NO:** _____**TELEFAX NO:** x6218**FROM:** Donna Rivelli**AGENCY:** _____**OFFICE NO:** _____**TELEFAX NO:** _____

SPECIAL INSTRUCTIONS. Per your request attached is the information regarding the FY 1993 block grant proposal. I have underscored the key phrases. I have attached the WH fact sheet which discusses provisions in the proposal (see brackets). Please be assured that we are continuing to work on the block grant initiative and that "the Administration will consult with State and local governments before a legislative package is proposed." Consultation is key.

Additionally, please note that NCSL is supportive of the block grant concept. Thus, I have attached NCSL's response to the Administration's FY 1992 block grant proposal.

19. ENCOURAGING EXPERIMENTATION

BLOCK GRANT

To achieve general agreement on a single consolidated block grant with representatives of State and local government, the Administration modified its block grant proposal in

the 1992 budget. The resulting 24 program candidates (\$14.7 billion in 1993) are set out in Table 19-1:

Table 19-1. BLOCK GRANT PROGRAM CANDIDATES
(In millions of dollars)

Department/Programs	1992 Enacted		Proposed											
	RA	O	1993		1994		1995		1996		1997			
			RA	O	RA	O	RA	O	RA	O	RA	O	RA	O
Education:														
Chapter 2	450	517	450	478	450	453	450	450	450	450	450	450	450	450
College assistance migrant program	2	2	2	2	2	2	2	2	2	2	2	2	2	2
High school equivalency	8	7	8	8	8	8	8	8	8	8	8	8	8	8
Drug Free Schools and Community Act	624	654	654	648	654	649	654	653	654	654	654	654	654	654
Vocational education	1,135	859	1,138	961	1,138	1,131	1,138	1,145	1,138	1,138	1,138	1,138	1,138	1,138
Education for homeless youth	25	10	25	22	25	25	25	25	25	25	25	25	25	25
Follow-through program	8	7	—	7	—	2	—	—	—	—	—	—	—	—
Adult Education Act (State Grants)	238	175	261	202	261	254	261	262	261	261	261	261	261	261
Foreign language assistance	10	5	—	8	—	2	—	—	—	—	—	—	—	—
Student literary corps	5	4	—	4	—	1	—	—	—	—	—	—	—	—
Workplace literacy partnerships	19	18	19	18	19	19	19	19	19	19	19	19	19	19
Literacy training for the homeless	10	8	10	8	10	10	10	10	10	10	10	10	10	10
Environment:														
Construction grants	2,011	2,196	2,030	2,110	1,300	2,044	700	1,888	300	1,608	—	1,162	—	—
Health and Human Services:														
Maternal and child health block grant	650	553	674	674	674	674	674	674	674	674	674	674	674	674
Social services block grant	2,900	2,800	2,900	2,800	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
State welfare administrative expenses:														
Medicaid	2,649	2,649	2,655	2,602	2,658	3,164	3,521	3,521	3,922	3,922	4,374	4,374	4,374	4,374
AFDC	1,339	1,403	1,483	1,486	1,537	1,667	1,558	1,900	1,550	1,643	1,688	1,681	1,681	1,681
Food stamps	1,410	1,457	1,470	1,456	1,511	1,507	1,584	1,580	1,620	1,615	1,677	1,672	1,672	1,672
Justice:														
Drug control	493	841	493	502	493	493	493	493	493	493	493	493	493	493
Juvenile justice	72	55	8	58	9	26	8	8	8	8	8	8	8	8
Other Programs:														
Job training for the homeless	9	11	17	11	17	15	17	17	17	17	17	17	17	17
ABCS cost share	194	204	125	171	125	164	125	169	125	125	125	125	127	127
Community service employment for older Americans	87	84	75	25	75	77	75	75	75	75	75	75	75	75
National and Community Service Act	78	88	73	57	78	70	78	73	78	78	78	78	78	78
Total	14,855	14,066	14,936	14,822	14,596	15,152	14,218	15,427	14,227	15,634	14,571	15,726	15,726	15,726

Part One-418**THE BUDGET FOR FISCAL YEAR 1988**

This revised list replaces the illustrative list of programs the President proposed last year. The President's goal is to move power and decision-making authority closer to the people and allow State and local governments greater flexibility to manage programs more efficiently and effectively.

In order to move the proposal forward, the Administration asked the Governors, State legislators and local officials to review the Administration's proposed block grant principles and identify other program candidates that they would consider suitable for turnover to the States. Governors and State legislators endorsed the block grant concept. Representatives of local government were more cautious, even negative; but representatives of the National Association of Counties and the National League of Cities contributed substantially to the discussions.

Additions to, and deletions from, the Administration's illustrative list were made as a result of this process. Specifically, the Gov-

ernors recommended including additional education programs, while local governments recommended dropping housing programs. In the end, the participants generally agreed to the list of programs for turnover to the States (set out in Table 19-1).

It is recognized that some type of transition period will be necessary to ensure that sufficient fund controls and service delivery mechanisms are in place. The goal of the Administration's block grant proposal is to provide State and local governments with the maximum flexibility possible, phased in over a five-year period. The funding formula proposed would approximate current funding distribution levels to the individual States—seeking to ensure that no State would be harmed as these programs are incorporated into the new block grant.

A legislative package, containing the Administration's proposal, will be proposed to Congress after further consultation with representatives of State and local governments.

CREATIVE USE OF WAIVERS IN WELFARE PROGRAMS

Efforts to improve major assistance programs for low-income families must grapple with the fact that practically any change to one program will have consequences for other programs serving the same population. This interaction of program designs makes it necessary for States to seek permission separately from several Federal agencies when they want to demonstrate innovative ways to move families from welfare dependency to self-sufficiency.

For example, to encourage family-heads receiving Aid to Families with Dependent Children (AFDC) to seek employment, a State may wish to allow a family to earn an extra \$100 a month without any reduction in their AFDC benefit. However, without a complementary change in the way the Food Stamp Program operates in the demonstration, the family's food stamps will be reduced by about \$30 to reflect the additional \$100 in cash income. Thus, the extra income to the family would be only \$70 instead of the \$100 intended.

To encourage States to design and test potential improvements to current programs, the Administration will institute an inter-agency review process to coordinate and expedite State requests for waivers of assistance program rules which are necessary to demonstrate the alternatives. The process will allow States seeking waivers involving several programs to have a single Federal contact responsible for managing the Federal process of obtaining the waivers.

A similar process was created in 1987 in response to initiatives by a variety of States to test welfare reform proposals. Over the following year, an interagency board (made up of representatives from agencies administering programs of assistance to low-income people) arranged for Federal approval of demonstration proposals from more than a dozen States. Within the next year or two, results from most of these previous multi-year demonstrations will add significantly to our knowledge of how to address welfare dependency.

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The President's FY 1993 Budget

BLOCK GRANT TO THE STATES

The President's budget proposes a single consolidated block grant totalling \$14.6 billion. The President's goal is to move power and decision-making authority closer to the people and allow State and local Governments greater flexibility to manage programs more efficiently and effectively. The proposed block grant encourages the natural innovative powers of State and local Governments as laboratories of change.

To achieve general agreement on a single consolidated block grant with representatives of State and local government, the Administration has modified the block grant proposal contained in the 1992 Budget to include a generally agreed set of programs; and to provide for transitional arrangements phasing in the block grant, maintenance of delivery systems' provisions, audits, and intended use reports.

Programs to be included in the Block Grant:

	<u>1993</u> <u>(In millions of dollars)</u>	
	<u>EA</u>	<u>O</u>
<u>Education:</u>		
Chapter 2	450	478
College assistance migrant program	2	2
High school equivalency	8	8
Drug Free Schools and Communities Act	654	648
Vocational education	1,138	961
Education for homeless youth	25	22
Follow-through	--	7
Adult Education Act (State Grants)	261	202
Foreign language assistance	--	8
Student literacy corps	--	4
Workplace literacy partnerships	19	16
Literacy training for the homeless	10	8

1993
(In millions of dollars)

	BA	Q
<u>Environment:</u>		
Construction Grants	2,030	2,110
<u>Health and Human Services:</u>		
Maternal and child health block grant	674	674
Social services block grant	2,800	2,800
State welfare administrative expenses:		
Medicaid	2,868	2,802
AFDC	1,483	1,466
Food stamps	1,470	1,456
<u>Justice:</u>		
Drug control	496	502
Juvenile justice	8	58
<u>Other Programs:</u>		
Job training for the homeless	17	11
ASCS cost share	125	171
Community service employment for older Americans	75	85
National and Community Services Act	73	57
TOTAL	\$ 14.6	\$ 14.6

- o **Heldharmless Provision:** The funding formula proposed would approximate current funding distribution levels to ensure that no State would be harmed as these programs are incorporated into the new block grant.
- o **Transitional Arrangements:** The Administration recognizes that some type of transition period is necessary to ensure that sufficient fund controls and service delivery mechanisms are in place. Transitional provisions include: a phase-in period and maintenance of delivery systems' provisions.
- o **Other Specifications:** In order to ensure that State governments spend the money on the intended purpose, the block grant requires intended use reports and audits.



5

NATIONAL CONFERENCE OF STATE LEGISLATURES

WASHINGTON OFFICE: 444 NORTH CAPITOL STREET, N.W. SUITE 500 WASHINGTON, D.C. 20001
202-624-5400 FAX: 202-737-1069

JOHN MARTIN
SPEAKER OF THE HOUSE
MAINE
PRESIDENT, NCSL

WILLIAM RUSSELL
CHIEF LEGISLATIVE COUNSEL
VERMONT
STAFF CHAIR, NCSL

WILLIAM POUND
EXECUTIVE DIRECTOR

April 8, 1991

The Honorable George Bush
President
The White House
Washington, D.C. 20500

Dear Mr. President:

The National Conference of State Legislatures is pleased to respond to your proposal regarding a consolidated grant to encourage state innovation and flexibility.

We view your proposal as an opportunity to begin a constructive dialogue between the federal and state governments about serious issues in intergovernmental fiscal relations. Over the past several years the National Conference of State Legislatures has consistently and emphatically stressed the related themes of unfunded mandates, preemption, and encroachment upon of state revenue systems. We believe creating more block grants may offer relief from mandates and greater flexibility in administering the programs included in the grants. We hope, in addition, to use the debate over the concept to accomplish reforms concerning mandates and preemption that would have general applicability.

Accomplishing these objectives, in turn, will allow the federal and state governments to provide services more efficiently and creatively, will maintain the states as effective partners in the federal system, and will enhance the nation's competitiveness in the complex world economy.

Our response has two major elements: (1) a set of principles that we believe should guide structuring the grants; and (2) a set of programs that conform with these principles and that we offer as illustrations of how the proposal could work.

A. Principles

Our first step in developing a response to your proposal was to craft a policy statement that recommends (1) a structure for the block grant; (2) criteria to be used in selecting programs for a block grant; and (3) other mandate and preemption reforms. That policy statement is attached. Its most salient points are:

- (1) Program consolidation should be accomplished by the creation of several new block grants to the states. Block grants should be developed by the consolidation of programs within a broadly defined area,

encompassing some commonality of purposed, type of service provided, or clientele served.

(2) The legislation must **reduce and streamline existing regulations** (statutory and administrative) associated with the grant programs to be replaced. The block grant must not become encumbered with new regulations and restrictions, and it must be free from earmarks.

(3) The legislation must **ensure stable funding** for the new block grant programs created. Future funding should be secured by providing for an automatic adjustment for inflation, and the new block grants must be set outside of the discretionary spending caps.

(4) Such consolidations should **ensure distributive neutrality** among the states. In other words, under the new block grants individual states should be "held harmless."

(5) **Program selection should be confined to those that are primarily state-federal programs**, or those for which states are the primary beneficiaries. Those programs that primarily fund local governments should be excluded from consideration.

In addition, we believe that the dialogue engendered by your proposal should include (1) reform of the State and Local Government Cost Estimate Act to provide better data about the effects of proposed federal legislation on state budgets and (2) adoption of legislation to reduce unnecessary preemption of state laws and regulations.

B. Block Grants

We offer the attached list of block grants and programs as our suggestion of how your proposal could be designed to meet the objectives we believe it should accomplish. We believe the list demonstrates that it is possible to construct a set of block grants with programs that meet the criteria we established in our policy statement. We emphasize, however, that they are not the only programs that could be included and we recognize that programs on our list might easily be removed in favor of others not on our list. We advance our list now in order to begin the dialogue with you and members of Congress.

We have attached a detailed list of eleven block grants in five categories. They include approximately 85 existing, mostly categorical programs. Their funding for FY 1991 totals \$21.319 billion. The following is a summary list of the suggested block grants.

Proposed Block Grants

	FY 91 (millions)
Agriculture	
Extension Service	\$366
Rural Economic Development	1,120
Criminal Justice	578

Child Development, Education and Training	
Readiness for School	745
The School Years	3,560
Adult Literacy, Training and Lifelong Learning	2,769
Environment	
Air & Land Environmental Management	337
Water Quality	2,347
Transportation	
National Highway Program	7,453
Highway Safety Program	250
Small Community & Rural Access	912
Metropolitan Mobility Block Grant	882
Total	21,319

In February, Governor Sununu asked us to develop our proposal in consort with the National Governors' Association. We complied gladly with Governor Sununu's request and found the exercise to be very constructive. While our proposals are quite similar, they are not entirely the same. This should not be taken as a sign of fissure or deep disagreement. Rather, it merely demonstrates that there is more than one way to consolidate programs and provide relief from mandates, improved services, and greater flexibility.

Now that we have developed this response to your proposal, we are naturally anxious to begin discussions with Governor Sununu and other members of your Administration about a legislative package that would incorporate these suggestions. We thank you for including us in this process and look forward to beginning this critical dialogue over state-federal fiscal relations.

Sincerely,

John L. Martin
Speaker, Maine House of Representatives
President, NCSL

Paul Bud Burke
Senate President, Kansas
President-Elect, NCSL

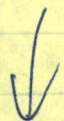
encs

cc: Governor Sununu

Bill on educ issue, tacked on to a bill



prisoners should have to
get their GEDs
(& states should have
to pay for them)



bill was killed

look before you leap; think of
what it'll do to the
states.

(Ferguson/Aarhus)
March 10, 1992
Draft One
NCSL

PRESIDENTIAL REMARKS: NAT'L CONFERENCE OF STATE LEGISLATORS
MARCH 11, 1992
ROOM 450
5:00 PM

*Mary
Xobax
Mary* ✓
I'm pleased to be here today, and I thank you for
rearranging your schedule so we could get together.

✓
Last year, as you know, I was unable to meet with you
because of pressing business in the aftermath of Desert Storm.

That was a time of great triumph for America, and I still believe
it holds enduring lessons for how we in government can get things
done.

Our country saw a challenge, and we met it with resolve. We
debated the subject vigorously. Our duty as Americans demanded
nothing less. But when the time came to act, we put aside
partisanship -- we put an end to the squabbling. And we got the
job done. We liberated Kuwait.

I don't need to tell you that we face a great challenge
again today. We're in some tough times economically. We owe it
to our country to do all in our power to get this economy moving.

I take this mission very seriously. I understand that
there's no magic wand we can wave to accelerate recovery. But I
know too that by taking a few common sense steps -- and taking
them now -- we can encourage investment, help struggling
businesses back to their feet, and put Americans to work.

My plan is simple: To get investment capital moving, I've
asked for a new investment tax credit. I want a cut in the

capital gains tax -- to create jobs for those looking for work.

To invigorate the housing industry, I've asked for a \$5,000 tax credit and penalty-free withdrawals from IRAs. *for 1st time HB*

When I submitted this common-sense plan to Congress, I asked them to put aside partisanship for just ~~30~~ ⁵² days. I asked them to consider my plan, debate it, and then put it to a quick, clean vote. And I gave them a deadline: March 20. The deadline is fast approaching, and Congress has yet to even give my plan serious debate.

Instead, they're talking about sending me a package that I cannot and will not sign. And they know why: They're asking for a massive tax increase on the American people.

I fully believe that a tax increase would be a disaster for our economy, for our future competitiveness, and for the expectations the American people place in their government to act responsibly. Congress must not doubt my resolve. If they send me their tax-and-spend plan, I will veto it the minute it hits my desk.

And let them understand: From that minute onward, the battle is joined.

The American people are tired of business-as-usual from Washington. I know, too, how the business-as-usual approach is burdening you in the state Capitols.

I'm talking about unfunded mandates. I understand what happens when an unfunded mandate drops on you from Washington: you have to find the money to pay for someone else's wish list -

- either by cutting your own programs or raising taxes on your constituents.

In other words, Washington takes the credit and you take the heat. These mandates aren't merely irresponsible. They cut to the heart of the federal system. And I've told Congress point-blank: if they pass a mandate, they can't pass the buck. They have to pay for it -- without raising taxes.

There's another front in our fight to restore federalism.

More than a year ago, I proposed a \$15 billion block grant for the states, in the belief that states are the laboratories of democracy. You need -- and your constituents need -- the flexibility that this grant would allow.

Your Conference has been invaluable in helping us get this proposal in shape. We will be introducing it to Congress soon, and I call on them to give it swift and affirmative consideration.

The key is working together -- Republicans and Democrats, the federal and state governments, the legislative and executive branches. Of course I understand the pressures of an election year, but we know what we can do in those moments when we set partisanship aside. That's what the American people demand of us right now. We must not let them down.

Thank you and God bless you.

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Donna Rivelli:
OMB #5090

Donna Rivelli:
#5090

THE WHITE HOUSE
WASHINGTON

3/10/92

TO: Carol

FROM: MARY McCLURE
Special Assistant to the President
for Intergovernmental Affairs
Room 163 OEOB, x6697

Here is a mandate
list. Be sure not
to include any
backed by Administra-
tion ☺.

Medicaid expansion
is the best example.
Hope this helps!

Mary

**THE WHITE HOUSE
WASHINGTON**

TO:

**FROM: MARY McCLURE
Special Assistant to the President
for Intergovernmental Affairs
Room 163 OEOB, x6697**



NATIONAL CONFERENCE OF STATE LEGISLATURES

444 NORTH CAPITOL STREET, N.W. SUITE 500 WASHINGTON, D.C. 20001 202/624-5400 FAX/202/737-1069

TRANSMITTAL SHEET FOR TELECOPIES

TIME 6:15DATE 3/10/92TO Mary McClureFROM Susan Wolfe / Rick MayNUMBER OF PAGES, INCLUDING COVER ~~15~~ 31TELEFAX NUMBER () 456-2362ACCOUNTING CODE SEC-4INSTRUCTIONS/COMMENTS: Per your request.Note : 8/14/91 Existing Mandate Directory
1/14/92 mandate Outlook for 1992

Please call if you do not receive entire fax or if there is a problem at:

202/624-5400 or FAX 202/737-1069

THE HALL OF THE STATES EXISTING MANDATE DIRECTORY

Program Area	Title	Public Law	Notes	CBO Cost Estimate
Agriculture				
	Clear Title for Buyers of Farm Products	P.L. 99-198, Section 1324	Preempts state laws protecting creditors of agricultural producers and provides that farm product buyers engaged in farming operations takes free of security interest created by seller unless: 1) secured party has notified buyer of security interest 2) state has established a central system which is certified under USDA regulations for filing of effective financing statements, as defined in the legislation.	
	United States Grain Standards Act	P.L. 94-582	Preempts state laws and requires official inspection & weighing by federally licensed personnel of all grain exported from the U.S.; but permits Federal Grain Inspection Service to delegate to state agencies the authority to perform official inspection.	
	Virus, Seru, Toxin Act	P.L. 99-198	Requires USDA to exempt from federal licensing requirements any animal biologic prepared solely for distribution within the state of production and licensed by such state under a state regulatory program determined by the Secretary of Agriculture to meet certain criteria. Legislation provides deadline for state action; but would be subject to federal licensing procedures even if intended only for intrastate use.	
Commerce				
	Bank Secrecy Act	P.L. 91-508	Reports concerning certain currency transactions need not be filed in a state in which a casino is located adopts reporting requs. similar to federal requs.	
Education				
	Basic Grant for Literacy College Work Study Prog. Education for All Handicapped Children Supplemental Educational Opportunity	P.L. 94-142, P.L. 99-457	Change in match requirement. Increase match 20-25%. Expanded mandated service to infants and toddlers. Increase grant 0-5 %.	

Energy

Energy Reorganization Act of 1974	P.L.93-438	Protection of human subjects in activities supported under DOE agreements. Creation of the Energy Extension Service to assist states and local governments.
Energy Policy & Conservation Act	P.L.94-163	Assistance in developing state energy conservation programs.
Energy Policy & Conservation Act	P.L.94-163	Energy conservation grant program for schools and hospitals including energy audits.
National Energy Extension Service Act	P.L.95-39	Each state is to establish a research center at a state university to assist the Energy Extension Services. States are to submit plans to the Director for their energy outreach program. There is a requirement for general compliance with the Act.
National Energy Conservation Policy Act	P.L.95-619	If a state does not adequately implement plan, the Secretary will promulgate one in accordance with the requirements of sect. 8214
National Energy Conservation Policy Act	P.L.95-619	States must implement energy conservation plans for commercial buildings and multiple family dwellings.
Powerplant & Industrial Fuel Use Act	P.L.95-620	Receivers of federal assistance required to comply with purposes of the Act relating to conservation of petroleum and natural gas.
Low-Level Radioactive Waste Policy Act	P.L.96-573	Defines the responsibilities of states for disposal of low-level radioactive waste.
Nuclear Waste Policy Act of 1982	P.L. 97-425	States participate in decisions relating to the disposal & storage of high-level radioactive waste and spent nuclear fuel. Financial Assistance is provided from the Nuclear Waste Fund.
National Appliance Energy Conservation	P.L.100-12	Uniform federal appliance efficiency standards would be established but would permit state appliance standards under strict conditions.

Environment

Asbestos Hazard Emergency Response	P.L. 99-519	All schools are required to conduct inspections for asbestos-containing materials and develop management plans, transport, and disposal. States must use EPA models to develop accreditation programs for inspectors, management plan developers, and abatement contractors. Schools must implement their management plans within two years and eight months.	The bill would expand states' duties. As under current laws, the states would continue to act in a middle-man capacity, collecting data and submissions from school authorities and conveying them to the EPA. In addition, the states would be required to review school management plans and establish contractor accreditation programs. No financial assistance is provided for these purposes. CBO estimates are \$15 mil. in the first year of enactment and \$10-15 mil. in subsequent yrs.
Atlantic Tuna Convention Act	P.L.94-70	Federal implementation of international tuna commission recommendations may preempt state tuna laws and regulations within their boundaries.	
Atlantic Striped Bass Conservation Act	P.L.98-613	Federal action to conserve Atlantic striped bass; federal moratorium on fishing for striped bass if state actions are inconsistent with interstate commission striped bass plan.	
Clean Air Act	P.L. 91-604,	Requires each state to submit a comparable plan for the implementation	

Coastal Zone Management Act of 1972	P.L. 95-96 P.L. 96-464	and enforcement of standards of performance. Encourages and assists states in managing their coastal lands & environments; federal government may withhold grant funds if states don't comply with coastal zone management requirements.
Comprehensive Envir. Response	P.L. 96-510 P.L. 99-499	Requires state inventories of underground storage tanks for petroleum & other regulated substances and establishes a program for responding to releases from such tanks. A state may assume responsibility for the program within its boundaries
Earthquake Hrds Reduct. Endangered Species Act of 1973	P.L. 93-205	Increase state match 0-50% Cooperative agreements with states in administering state conservation programs for endangered and threatened species; states may lose federal funding if state conservation programs are inconsistent with federal requirements.
Federal Aid in Wildlife Restoration	16 USC 669-66	No funds can be provided to a state for wildlife restoration projects until its legislature, or other state agency authorized by the State constitution to make laws governing the conservation of wildlife, which shall include a prohibition against the diversion of license fees paid by hunters for any other purpose than administration of the state fish and game department.
Federal Water Pollution Control Act	P.L. 92-500	States are required under section 1314 to develop individual control strategies for toxic pollutants in streams which are not meeting water quality standards.
Fish and Wildlife Conservation Act	P.L. 96-366	No funds can be made available to reimburse a state for costs in connection with conservation programs for non-game species unless the state has an approved non-game species conservation plan; changes in state laws could be required in order for a state fish and game agency to meet certain elements required for such plans.
Hazardous Waste Mgmt Syst. Lead Contamination Control Act of 1988	P.L. 100-572	Requires that permits must be current. Requires each state to provide for the dissemination of the guidance document & testing protocol to local educational agencies, private nonprofit elementary and secondary schools and to day care centers together with the list of drinking water coolers. Requires states to establish a program to assist local educational agencies in testing for and remedying, lead contamination in drinking water from coolers & from other sources.
Marine Mammal Protection Act of 1972	P.L. 95-58	Preempts enforcement of state laws relating to taking of marine mammals unless conservation and management responsibility has been transferred to the states.
Marine Mammal Protection Act	P.L. 92-522	States are not allowed to regulate any marine mammal stock unless the Secretary has transferred management authority to the states.
Migratory Bird Conservation Act	P.L. 70-770	No deed or instrument of conveyance shall be accepted by the Secretary of the Interior under this subchapter unless the state in which the area lies shall have consented by law to

Authorizes \$30 mil. for FY89-91 for grants to states to pay for these programs. Would limit the amt. of the grant that could be used for program administration to 5%. Estimates that total state admin. costs for this program would be \$2 mil. in FY89 & \$6 mil. in FY90-91. Hard to determine how much water is contaminated.

National Environmental Policy Act of 1969	P.L. 91-90	the acquisition by the US of lands in that state for conservation of birds. A state agency or official is authorized to prepare the required statement when it covers a major federal action which is funded under a state grants program and 1) the state agency or official has jurisdiction & responsibility for the action & responsible federal official, 2) participates in statement preparation, 3) independently evaluates it, and 4) involves other affected state or federal land management agencies.	
Pacific Salmon Treaty of 1985	P.L. 99-5	Preempts state action or inaction that would jeopardize U.S. compliance with Treaty.	Enhancement activities authorized under the bill could include matching grants to state or local govts. No other signif. impact on the budgets of state/local govts. would result from enactment of this bill.
Resource Conservation and Recovery Act	P.L. 94-580 P.L. 98-616	Requires each state to compile, publish and submit to the Administrator an inventory of each hazardous waste site within each state. If the requirements set out are not met, grants available may be withheld.	
Safe Drinking Water Act	P.L. 93-523 P.L. 99-339	States are required to provide emergency water supplies, map critical aquifer areas, establish wellhead protection areas, survey Class V wells, test contaminants of public water systems, and enforce the use of nonlead materials.	
Sport Fish Restoration Act	P.L. 91-503	No money can be given to a state for fish restoration until its legislature, or other state agency authorized by the state constitution to make laws governing the conservation of fish, assents to the provisions of this chapter and passes laws for the conservation of wildlife. These laws must include a prohibition against the diversion of license fees paid by hunters for any other purpose than the administration of said state fish and game department	
State Mining & Mineral Resources Research Inst. Surface Mining Control & Reclamation	P.L. 100-483 Prog. Act P.L. 95-87	Allocation grants to state mineral institutes must be matched on basis on no less than 2 non-federal dollars for each federal dollar. Each state having within its borders coal-mined lands eligible for reclamation under this subchapter, may submit, to the Secretary, a state reclamation plan and annual projects to carry out the purposes of this subchapter. Section 12365 restricts the Secretary from approving, funding or continuing to fund a state abandoned mine reclamation program unless that state has an approved state regulatory program pursuant to section 1253	Cost to states is \$0. Would result in no additional costs to state or local govt. Rather, the bill would allow some states to earn interest on a portion of their abandoned mine reclamation funds.
Amend Surface Mining Control & Reclamation	P.L. 100-34	The act repeals the 2 acre exemption of SMCPA. Any state law or provision of state regulation adopted pursuant to that exemption inconsistent with this repealer shall be of no further force and effect.	
Health			
1989 Budget Act		Medicaid from 100% to 133% of poverty.	

1989 Minimum Wage Act		Medicaid-Nursing Homes.	
Catastrophic Health Care Act			
Child Nutrition Act of 1966	P.L. 99-500	States would be ineligible to receive grants through the Special Supplemental Food Program for Women, Infants and Children (WIC) if the Secretary determines that state or local sales taxes are collected with the state on food purchases in the WIC program.	
Computer Matching & Privacy Act		Requires a 30-day termination notice.	
Developmental Disabilities Act	P.L. 100-146	States must establish a planning council to serve advocate for developmentally disabled persons and develop and submit a plan for the provisions of services to such persons.	
Long-term Care Quality Assurance			
Medicaid Match Rate & Caseload Changes	P.L. 100-360	Matching grants to states enable them to provide medical assistance to families and aged, blind, and disabled individuals whose income and resources are insufficient to meet cost of necessary medical services, and to provide rehabilitation and other services to such families and individuals.	
Medicaid Fraud Investigations		State must have plan approved by Secretary	
Medicaid	P.L. 99-272	State Medicaid plans must include in the determination of an individual's resources any amount held in a Medicaid qualifying trust, except for amounts in trusts established before April 7, 1986, solely for the benefit of residents in intermediate care facilities for the mentally retarded	Title I cost to state/local govts. in FY90 equals \$9 mil. Title II cost to state/local govts. in FY90 equals \$4 mil.
Medicaid	P.L. 99-509	State Medicaid plans must be amended to establish a new coverage group of categorically needy including those individuals who are eligible for SSI benefits	
Medicaid	P.L. 99-643	State Medicaid plans in those states using eligibility rules that were in effect in Dec. 1972, must be amended to continue Medicaid eligibility for individuals who are eligible for SSI benefits under section 1619 (a) or 1619(b) and who were, in the month preceding the first month of such eligibility, eligible for Medicaid.	
Medicare	P.L. 98-369	Appropriate state agency to consult with Secretary of HHS regarding determination of conditions of participation by providers of services and to determine compliance by providers.	
Nursing Home Personal Needs Allowance	P.L. 100-203	Increase SSI benefits.	
Nursing Home Reform Act	P.L. 100-203		
Nursing Home Reform Act	P.L. 100-203	Nursing Home Reform Act--Nurse aide training, effective 10-90	
Nursing Home Reform Act	P.L. 100-203	Nursing Home Reform Act-NHMR alternative dispositions	
Older Americans Act of 1966	P.L. 100-175	Requires states to designate an agency to develop, submit and administer a plan for use of grants for programs and aging.	
Welfare Reform Act	P.L. 100-485	Establishes the Job Opportunities/Basic Skills program as a replacement for WIN, expanded Medicaid coverage to a larger cross-section of poor women and children	State/local govts. would have est. savings of \$2 mil. in '89 & \$22 mil. in '90; costs of \$160 mil. in '91 & \$32 mil. in '92; and savings of \$69 mil. in '93. Costs would increase with the mandating of AFDC-UP in '91 and then decline with

Housing

			and instituted some significant changes in state Child Support Enforcement	rising savings from the child support provisions and the JOBS program. Over the 5 yr. period, \$1511 would cost states an estimated \$99 mil.
Civil Rights Act of 1964	P.L.92-318		Discrimination under any program or activity receiving federal financial assistance is prohibited against any person.	
Federal Nat'l Mortgage Assoc. Charter Act	P.L. 95-128		The charter act contains provisions, applicable to both the Federal National Mortgage Association and the Government National Mortgage Association, that preempt state and local laws to 1) permit FNMA and GNMA to conduct business without regard to qualifications or similar statutes in any state, 2) provide an exemption from taxation and 3) permit the settlement or extinguishment, upon default, of any redemption, equitable, legal or other right, title, or other interest of the borrower	
Housing & Community Dvlpmt. Act of 1974	P.L. 97-35		Prohibits discrimination based on race, color, national origin, sex, age or handicap. Penalty for non-compliance is loss of federal assistance.	
Local Rent Control	P.L.89-174		Preempts state and local rent control laws in the case of subsidized multi-family projects with mortgages insured or held by HUD.	
Real Estate Settlement Procedures Act	P.L.98-181		This Act shifts the state law governing estate settlements toward the consumer in several states where certain laws to the consumer's detriment currently exist.	
National Housing Act	P.L.100-242		Provides for a mortgage insurance program for nursing homes, intermediate care facilities and board and care homes. As a prerequisite to HUD approval for mortgage insurance the facility must have received a Certificate of Need from a state agency.	
Natl Housing Act/Exempt. from State Usury Laws	P.L. 96-153		State usury laws regarding any loan, mortgage or advance, are repealed. However, states may enact legislation to override federal preemptions.	
Natl Manuf. Housing Const. & Safety Standards	P.L.93-399		The state must have a plan approved for compliance with the Act whereby the state will then qualify for federal grants	
United State Housing Act of	P.L.93-383		Prohibits annual contract contributions to public housing that are not exempt from all real estate and personal property taxes levied by the state or local taxing jurisdiction	

Human Services

AFDC grants--Match rate & Alcohol & Drug Abuse & Health Care Facilities	P.L. 100-203 P.L. 98-504		State must develop plan for aid and services to needy families with children. States must apply to Secretary of HHS to receive allotment for each fiscal state agency concerning expenditures of federal funds for health facilities. State must establish procedure for submitting recommendations of other agencies to the Secretary.	
Child Abuse Prevention & Abuse Treatment	P.L. 99-401		To qualify for assistance, state must adopt child abuse and neglect law under guidelines in section 503	
Child Nutrition Act of 1966	P.L. 89-642		State Administrative expense funds are available only to states that agree to maintain state funding	

In order for a state to be eligible, they must have or establish, a multi-disciplinary task force on child abuse to recommend needed reform to state officials and agencies.

Child Support Referees	P.L.100-203	levels for administrative costs of the child nutrition program in order to qualify for appropriation, state must adopt a plan for child and spousal support as described in section 654.
Child Support Referee System		Expedited process requirement.
Child Support Enforcement		Change in match requirement.
Child Support Administration		Change in match requirement.
Child Welfare Services	P.L.90-248	To qualify for payments, state and Secretary of HHS must jointly develop plan for child welfare services as described in section 621.
Community Services Block Grant	P.L.97-35	Prohibits states from participating from the food stamp program if state or local sales taxes are collected on purchases of food with food stamps.
Food Stamp Act of 1977	P.L. 99-198	Effective Oct. 1, of first calendar year after December 23, 1985, in which state legislature is convened
Foster Care & Adoption Assistance Programs	P.L. 100-203	To qualify for payments, state must adopt foster care and adoption assistance plan as described in section 671.
Immigration and Nationality Act	P.L. 96-212	State must submit plan to Director of Refugee Settlement, report annually, and meet other standards in section 1522.
National School Lunch Act	P.L. 97-35	Limits school lunch program assistance under section 4 to states in which the amount of the state revenues appropriated or used specifically for program purposes is at least equal to 30% of the section 4 funds made available to such state in the 1980-81.
Old Age Survivors & Disability Insurance Benefits	P.L.92-603	Requires states to submit plan for aid to go to aged, blind, or disabled to be approved by the Secretary of HHS
Refugee Resettlement Act	P.L. 99-605	Requires states to provide resettlement services for immigrants during the five year period during which they are ineligible for normal federally sponsored aid programs
School Breakfast, lunch, milk programs		Requires match change.
Stewart B. McKinney Homeless Assistance Act	P.L. 100-77	This Act affects Title V-C of the Public Health Services Act, Community Mental Health Services for the Homeless.
Supplemental Security Income for the Aged, Blind & Disabled	P.L.97-35	States which had food stamp cashout status in Dec. 1980, may retain status as long as they continue to meet pass-along requirement.
Supp. Sec. Income for the Aged, Blind, & Disabled	P.L. 98-21	States must maintain supplementary payment levels effect in March 1983 in order to meet pass-along requirement. Alternatively, states may meet the requirement by maintaining total expenditures for the 12 month period following a federal cost-of-living adjustment that are at least equal to the total state expenditures for the 12 month period before the COLA.
Temporary Food Assistance Act of 1983	P.L. 99-198	Requires states to match in cash, or in kind under USDA regulations, any federal funds received and not paid to, or applied for the direct expenses of, emergency feeding organizations.

Assuming full appropriation of the authorizations this bill would reimburse state & local govts. \$516 mil. in 1986 and \$532 mil. in 1987. These reimbursements would arise from direct payments to state & local govts. for cash and medical assistance and for costs of incarceration of some Cuban nationals. Reimbursements would also occur from grants to states for targeted assist. & education assist.

No cost to state & locals.

Justice	Title IV Foster Care & Adoption Assist.		Change in match rate.
	Vocational Rehabilitation Welfare Reform Act	P.L. 100-485	Increase match 20% to 25% over 5 years. Established the Job Opportunities/Basic Skills (JOBS) program as a replacement for WIN, expanded Medicaid coverage to a larger cross section of poor women & children & instituted some significant changes in state Child Support Enforcement
Labor	Overseas Voters	P.L. 99-410	Uniformed voters and overseas voters must be received by the appropriate state official not less than 30 days before.
	Airline Deregulation Act of 1978	P.L. 95-504	In order to receive federal financial assistance for its air transportation activities, a state must conform to the provisions of this determine the quality, variety and price of air services.
	Black Lung Benefits Act	P.L. 91-173	States must comply with the general policies outlined in the Act in order to be eligible for federal funding for development and enforcement of health and safety regulations, workmen's compensation and occupational disease laws, and promotion of federal-state coordination in mine safety. Certain duties may be delegated to the states if they meet the national standards.
	Davis-Bacon Act of 1981	P.L. 74-403	Applicable to all contracts of the US of more than \$2000. The act requires that the advertised specifications for every contract subject to the Act contain a wage determination issued by the Secretary of Labor pursuant to 29 CFR Part 1, which is based upon the wages & fringe benefits prevailing in the area on similar projects.
	Disabled Veterans Outreach and Local Veterans Employ. Rep. Programs Executive Order 11246	P.L. 96-466	States must comply with the provisions in these sections In order to receive federal funds for the implementation and operation of veteran's employment services and outreach programs. States entering into contracts for amounts in excess of \$10,000 with any contracting agency, for the furnishing of supplies and services, for the use of real or personal property, including lease arrangements, must abide by provisions of the Executive.
	Walsh-Healy Public Contracts Act	PL 74-846	States entering into contracts with the United States, or agencies and departments thereof, for the manufacture of furnishing of materials, supplies, articles, or equipment in any amount exceeding \$10,000 are subject to the labor standards in this act.
	Fair Labor Standards Act of 1938	PL 87-581	States, as employers, must comply with the provisions of this Act relating to minimum wage, maximum hours,

Federal Unemployment Tax Act	P.L. 91-373	child labor, etc, or they may be subject to both civil and criminal penalties. Sets unemployment tax and basic policies to be followed in order to obtain Secretary's approval of certification for tax credit against the federal unemployment tax.
Full Employment & Balance	P.L. 95-523	The Act prohibits discrimination on the basis of sex, age, race, color, religion, national origin, or handicap against persons seeking to participate in or receive the benefits of any state program or activity funded pursuant to the Act.
Immigration and Nationality	P.L. 96-212	States must comply with this comprehensive Act dealing with immigration procedures in order to have certain delegate authority.
Job Training Partnership Act	P.L. 97-399	No funds may be provided to any service delivery area under this chapter except pursuant to a job training plan for 2 program years which is prepared in accordance with section 1513, and which meets the requirements of this section. In addition, section 167 of the act prohibits discrimination on the basis of race, color, national origin, religion, sex, age, handicap or political affiliation or belief, and requires that equal opportunity be afforded lawfully admitted permanent resident aliens, and parolees, and other individuals authorized by the Attorney General to work in the U.S.
Contract Work Hours & Safe	P.L. 97-581	States, as employers of laborers and mechanics working in conjunction with a contract financed at least partially by the U.S., must comply with the provisions in this act.
McNamara OHara Service	P.L. 89-286	States entering into contracts in excess of \$2500 with the U.S. or agencies or departments thereof, which have as their principal purpose the furnishing of services in the U.S. through use of service employees, are subject to the labor standards.
Migrant & Seas. Agric. Work	P.L. 97-470	States must comply with the provisions of this Act in order to receive federal funds in conjunction with cooperative agreements. Any delegation to a state agency must be made pursuant to a written state plan that complies with this Act.
National Apprenticeship Act	P.L. 75-308	Sponsors of state apprenticeship programs registered with the U.S. Dept. of Labor must comply with regulatory provisions requiring equal opportunity and affirmative actions. Apprentices in these programs must be selected recruited, employed & trained without regard to their race, color, religion, national origin, or sex.
Occupational Safety & Health	P.L. 91-596	The state, if it desires to assume responsibility for development and enforcement of occupational safety and health standards must submit a state plan to be approved by the Secretary.
Federal Mine Safety & Health	P.L. 95-164	States must comply with the provisions of this comprehensive Act dealing with the protection of the health and safety of miners, or be subject to both civil and criminal penalties.
Rehabilitation Act of 1973	P.L. 93-112	In order to be eligible for any contract in excess of \$2,500, entered into by any federal department or agency for the procurement

			of personal property and nonpersonal services for the US, the states must comply with requirements that affirmative action shall be taken to employ and advance in employment qualified individuals with handicaps.
	Social Security Act of 1935	P.L. 91-373	States must have an unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act in order to receive federal grants.
	Vietnam Era Veterans Readjustment Assist. Act	P.L. 93-508	In order to be eligible for any contract in the amount of \$10,000 or more, entered into by any federal department or agency for the procurement of personal property & nonpersonal services, for the U.S., the states must abide by the required provisions that affirmative action shall be taken to employ and advance qualified special disabled veterans and veterans of the Vietnam era.
	Wagner Payser Act	P.L. 97-300	Sets up national system of public employment offices. In order to be eligible for federal assistance, a state must designate, or authorized the creation of a state agency to submit to the Secretary of Labor a detailed state plan for carrying out the provisions of the Act in cooperation with the U.S. Employment Service.
Rev. & Tax			
	Tax Equity & Fiscal Respon	P.L. 92-248	Requires that states and local governments making income returns on magnetic media, rather than paper.
	Tax Reform Act of 1984	P.L. 98-369	State and local governmental units are required to report mortgage interest received from individuals on form 1098, Mortgage Interest Statement. A form 1099-A, Information Return for Acquisition or Abandonment of Secured Property, must be made by any state or local governmental unit which lends money secured by property and, in full or partial satisfaction of the debt, acquires an interest in any property that is security for the debt or has reason to know that the property has been abandoned.
	Tax Reform Act of 1986	P.L. 99-514	State may provide an alternative formula for allocation of the state ceiling in determining the volume cap for the issuance of tax exempt private activity bonds.
	Tax Reform Act of 1986	P.L. 99-514	Requires that issuers (including states) of tax exempt bonds rebate excess arbitrage profit to the United States.
	Tax Reform Act of 1986	P.L. 99-514	Requires that an information statement, Form 8038, be filed with the Internal Revenue Service for all governmental bond issues. Requires that the information statement include a certification by a state law designated official that the bond meets the volume cap requirements of I.R.C.
Transportation			
	Air Quality Non-Attainment	P.L. 95-95	States that had not demonstrated, by Dec. 1987, attainment of the of transportation controls, including a vehicle emission inspection

Coastal Zone Management	P.L. 96-464	& maintenance program, or DOT project approvals may be limited to projects for safety, mass transit and improvement of air quality. State must establish or designate an agency responsible for coastal zone management which ensures that projects within the coastal zone comply with federal consistency regulations and the appropriate approved state plan for coastal zone management programs.
Control of Outdoor Advertising	P.L. 96-106	States must control outdoor advertising and junkyards along federal highway systems. DOT may withhold 10% of the highway funds apportioned under 23 USC 104 for failure to comply
Contracting by States for Engineering & Design Services on Fed. Hwys.	P.L. 100-17	Federal selection procedures for procurement of engineering and design services shall apply to federal aid highway projects under Title IX of the Federal Property and Administrative Services Act which requires qualifications based selection of these services. Such requirements will not apply in a state that adopts or has adopted by statute any formal procedure for procurement of engineering and related design services (provision effective earlier of 8/1/89 or 10th day following close of regular session of legislature of a state which begins after 4/2/87 unless a state adopts or has adopted by statute any formal procedures.
Contracting for Engineering and Design Services - Airport & Airway Safety and Capacity Expansion Act of 1987	P.L. 100-223	Sectionb 109-G provides a new assurance that contracts for engineering and design services are to be awarded in accordance with qualifications based requirements established under Title IX of the Federal Property and Administrative Services Act or an equivalent procedure prescribed for or by the airport sponsor.
Commercial Motor Vehicle Driver's License	P.L. 99-570	States must 1) adopt and administer a program for testing and ensuring the fitness of commercial motor vehicle operators based on federal standards, b) not issue a commercial drivers license to a person unless a person passes a written and driving test c) have and enforce a law which provides that any person operating a commercial motor vehicle with a blood alcohol concentration at or above the level established by or under section 12008 (f) of the Act is deemed to be driving while under the influence, d) follow the procedures for issuing a commercial motor vehicle driver's license, for providing the appropriate notifications to the commercial drivers license information system, and for the requesting information from the National Driver Register e) impose appropriate penalties, as approved by the Secretary of Transportation, for operating a commercial motor vehicle while not having a commercial drivers license, while having a drivers license suspended, revoked, or canceled, or while being disqualified. f) disqualify persons from operating a commercial motor vehicle for at least the minimum periods specified in section 12009 (a) of the Act, for the various offenses listed. g) adopt and

Much of the funding provided by the bill is in the form of grants to state & local govts. Several provisions in Titles I-III would affect the allocation of funds among states as well as the allowed uses of funds by states & local recipients. In addition, the bill alters cost-sharing arrangements for certain types of projects. Most of the relocation activities covered by Title IV are administered at the state or local level. The bill would result in some admin. costs because of expanded eligibility criteria and the need to update regulations. These costs are not expected to be significant.

No cost to state & local govts.

Requires states to administer a testing and licensing program for comm. motor vehicle operators and authorizes grants to states for that purpose. While CBO expects that costs incurred by some states to fulfill these requirements could exceed the funds made available, states may recover some or all of such costs by increasing their licensing fees.

		enforce out-of-service regulations issued by the Secretary pursuant to section 12008 (d) (1) of the Act, h) grant reciprocity to any person with a valid commercial driver's license from another state, issued under federal standards. Failure to substantially comply with the above requirements by October 1, 1993, will result in the withholding of 5% of a States' apportionments of Primary, Secondary, Interstate completion, Interstate 4-R, and Urban System funds for fiscal year 1994. For subsequent fiscal years, failure to substantially comply will result in a withholding of 10 percent of these apportionments.
Com. Motor Vehicle Width & Length Limit	P.L. 98-554	States must not restrict operation of or deny reasonable access to trucks and buses on the "designated network" that meet federal length and width limits. DOT may seek injunctive relief.
Com. Motor Veh. Standards	P.L. 98-554	After Oct. 1989, states may not have in effect any laws or regulations for commercial motor vehicle safety standards that differ from the federal standards but do not unduly burden interstate commerce, are not incapable with federal regulations and provide safety benefits.
Clean Water Act	P.L. 100-1	States may set, with EPA approval, "no discharge zones", if adequate reception facilities exist. States may adopt and enforce statutes or regulations with respect to design, manufacture, or use of any marine sanitation device on a houseboat, if such statutes or regulations are more stringent than federal standards.
		The term "houseboat" means a vessel which, for a is located is used primarily as a residence and not as a means of transportation. States may enforce regulations pertaining to marine sanitation devices.
		States are required to issue a water quality certificate before Section 404 permit for the discharge of dredged or fill material can be obtained from the Corps of Engineers. This certificate indicates that appropriate water quality standards are met.
		States are not preempted from enacting laws relating to discharges of oil and hazardous substances and are authorized to recover for natural resource damages due to such discharges.
		Section 1321 (c) (2) (H) provides that states in certain circumstances are entitled to recover for removal costs from the revolving fund.
Drunk Driving Programs	P.L. 100-12	States are encouraged through incentive grants to enact highway safety program to combat drunk driving. Failure to enact such a program results in ineligibility for basic and supplemental grants relating to implementation and enforcement of alcohol traffic safety programs.
Hazard Liquid Pipeline Safety Act of 1979	P.L. 95-516	States may adopt added or more stringent safety standards compatible with federal standards for intrastate hazardous liquid pipeline safety only if they have been "certified" under section 2002(D) State laws less stringent than the federal standards are preempted

Interstate natural gas transmission properties are taxed at higher rates than other commercial & industrial property in several states. This bill would prohibit such differential tax rates. At this time, CBO has not been able to estimate any loss of state or local tax revenues that might result

Hazardous Materials Transportation Act	P.L. 98-559	State regulation of transportation of hazardous materials which is inconsistent with federal requirements is preempted. A state may obtain a waiver of preemption is, on application to the department, DOT determines that the state requirement provides equal or greater protection than federal requirements and does not unreasonably burden interstate commerce.
Highway Safety Program-- Highway Safety Act of 1966	P.L. 100-17	The apportionment of highway safety funding will be withheld from any state that does not have a DOT approved highway safety program administered through a state agency.
Marine Plastic Pollution Research & Control Act of 1987	P.L. 100-220	Provides for non-preemption of requirement in state laws with respect to vessel source garbage.
Merchant Marine Act of 1933	P.L. 96-543	Head of each state maritime academy shall assure that the training of future merchant marine officers include programs for naval science training in the operation of merchant marine vessels as a naval and military auxiliary.
Minimum Drinking Age	P.L. 100-17	States to establish a minimum drinking age of 21 or have a portion of highway funds withheld by DOT.
Motor Carrier Safety Assistance Act	P.L. 97-424	States may receive federal funds for adoption and enforcement of regulations and standards for commercial motor vehicle safety.
Motor Vehicle Info & Cost Savings Act	P.L. 92-513	States may not establish laws or regulations for motor vehicle bumper standards that are not identical to federal standards, except that vehicles procured for state use may have higher standards.
Motor Vehicle Info & Cost Savings Act	P.L. 99-579	States may not license any motor vehicle for use following a transfer of ownership unless title issued to the transferee is made by a secure process and provides space for the disclosure of the vehicle's mileage.

from enactment of this bill.

Enactment of this legislation is not expected to have any significant impact on the budgets of states or local govts. After Annex V becomes effective, HR 940 would require all port or terminal operators to ensure the availability of garbage reception facilities in accordance w/USCG regs. The potential costs of this provision depend greatly on the nature of the regs. that the USCG would promulgate, particularly as to how many ports would have to expand their existing facilities. In most cases, the costs are not likely to be substantial.

The cost to most states to meet the titling requirements is not expected to be significant. Recording odometer info. on registration cards for the approx. 110 mil. passenger cars nationwide may impose a financial burden on states, however because many states handle registration renewal by mail. If the bill were enacted, the states would have to contact the owner each time they received an application that didn't include the odometer reading, and then reprocess the app. Initially, this could cost the states several million annually. The bill does not require states to have a central database, but state officials have noted that in order to reduce fraud, such a system will be necessary. Such efforts could increase state data processing costs by more

than \$10 mil. annually.

Motor Vehicle Info & Cost Savings Act	P.L. 92-513	States may not establish laws or regulations for automotive fuel economy or disclosures of fuel economy and costs applicable to vehicles covered by federal standards, except requirements for vehicles procured for their own use.
Motor Vehicle Theft Law Enforcement	P.L. 98-547	States may not establish or continue in effect theft protection standards with respect to motor vehicles or major replacement parts that are not identical to federal standards.
Natl Maximum Speed Limit	P.L. 100-17	States may not establish a maximum speed limit in excess of 65 mph, on interstate highways outside urbanized areas of 50,000 or more. They must have a 55 mph maximum speed limit on other highways and must certify that that limit is being enforced. Those which do not have a law or do not certify are subject to having project approvals withheld. If more than 50% of vehicles exceed 55 mph, it may result in a withholding of up to 10 % of federal aid Primary, Secondary, and Urban Funds.
National Traffic & Motor Vehicle Safety Act	P.L. 89-563	States may not establish or continue in effect laws or regulations for motor vehicle equipment safety standards that are not identical to federal standards except that vehicles procured for state use may have higher standards.
Natural Gas Pipeline Safety Act of 1968	P.L. 99-516	States may adopt added or more stringent safety standards compatible with federal standards for intrastate natural gas pipeline safety only if they have been "certified" under section 1674 (a).
Noise Control Act of 1972	P.L. 92-574	States may not adopt or enforce any standard applicable to noise emissions resulting from operation of any equipment or facility of a railroad engaged in interstate commerce unless such standards are identical to federal standards, and unless the E. P.A. in consultation with the Secretary of Transportation, determines that such a standard is necessitated by special local conditions and is not in conflict with federal standards.
Outer Continental Shelf Lands Act Amendments of 1978	P.L. 92-372	States are preempted from enacting laws relating to financial responsibility requirements for OCSLA facilities.
Ports and Waterways Safety Act	P.L. 95-474	The federal government may regulate navigation and other practices to protect navigable waters and adjacent structures, but states are not prohibited from establishing higher standards for adjacent structures
Proof of Payment of Heavy Vehicle Use Act	P.L. 97-424	Interstate construction and reconstruction apportionment may be reduced by up to 25% to any state that does not require proof of payment of federal heavy duty use tax as part of the state's heavy vehicle registration.
Rail Safety Programs	P.L. 96-423	Section 205, laws, rules, regulations, orders and standards shall be nationally uniform to the extent practicable
Recreational Boating Safety	P.L. 98-557	States are to designate a lead agency for carrying out the recreational

	Programs		boating safety program supported by federal funds, allocated in part by the amount of state spending on boating safety. The federal funds are conditioned upon states having approved programs for enforcement, education, & casualty reporting. A separate provision provides for federal approval of a state numbering system.
	Uniform Relocation Assist. and Real Property Acquisition Policies	P.L. 100-17	Requires state agencies to provide relocation payments and assistance to persons who are displaced by a federal or federally assisted projects, such as highway construction. Penalty for failure to submit adequate assurance is withholding of authorizations for all projects involving acquisition of right-of-way and relocation assistance.
	Urban Mass Transportation Act of 1964	P.L. 88-365	In order to receive federal loans or grants for urban mass transportation systems, states must 1) have the legal, financial, and technical capacity to carry out the proposed project, 2) have satisfactory continuing control, through operation or lease or otherwise, over the use of the facilities and equipment, and 3) act in accordance with the labor standards of the Davis-Bacon Act
Veterans			
	Vehicle Weight Limit. Hwy. Improvement Act of 1982	P.L. 100-17	Interstate highway construction funds will not be apportioned to states that do not allow heavy duty vehicles of up to 80,000 formula or 80,000 pounds.
	Vessel Safety Standards	P.L. 98-89	States may not establish or continue in effect laws or regulations concerning vessel safety that are not identical to federal standards unless issued an exemption under section 4305
	Veterans, Ed. Assistance	P.L. 95-202	Determination of the amount of educational assistance paid to a veteran & educational assistance allowances may be limited to state residents.
Other			
	Designation of State Approving Agency	P.L. 94-502	By state law, a state may establish a department or agency as the "State Approving Agency" for the administration of educational benefits. establish a concurrent jurisdiction. The relinquishment may be by filing a notice with the governor or as prescribed by law.
	Relinquishment of Federal Jurisdiction	P.L. 85-857	Administration of estates of decedents is relinquished to the states to be governed by state law
	Age Discrimination Act of 1975	P.L. 95-478	Prohibits discrimination based on age in programs receiving federal financial assistance. Funding is to be cut in the event of non-compliance
	Anti-Drug Abuse Act of 1988	P.L. 100-690	Requires a health warning label to be placed on alcoholic beverages and preempts state legislation requiring a warning label other than the label required by federal law.
	Federal Civil Defense Act	P.L. 85-606	Administrator is authorized to withhold funds for failure to expend funds in accordance with regulations, terms and conditions in the act. The Administrator shall make no contribution of federal funds without first obtaining adequate assurance that labor standards will be maintained upon construction work financed

Would not affect the budgets of state or local govts.

**Omnibus Trade and
Competitiveness Act****P.L. 100-410**

with a federal contribution under this act.
Requires state and federal agencies to assist small businesses to increase their ability to compete in international markets by enhancing their ability to export; facilitation technology transfers; enhancing ability to compete effectively and efficiently against imports; increasing access to long-term capital for new plant and equipment; dissemination information concerning state, federal, and private programs and initiatives to enhance the ability of small businesses to compete in international markets; and ensuring that the interests of small businesses are adequately represented in bilateral and multilateral trade negotiations.

Hall of the States Mandate Monitor

Mandate Watch List

Mandate Outlook for 1992

DRAFT

The Hall of the States Mandate Monitor is a database that records the changing status of legislation containing federal mandates on state and local government. The Mandate Watch List alerts readers to particularly threatening legislation under active consideration.

The Monitor and the Watch List are maintained by NCSL and are issued 10 to 12 times a year depending upon federal action. Inquiries should be directed to:

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Subscriptions to the Monitor and Watch List can be purchased for \$35 a year by calling the Marketing Department at 303/830-2200. ISSN #1057-7025

As the 102nd Congress resumes, there are several items likely to be addressed before the close of the session. There were over 120 bills introduced last year that would impose additional mandates on state and local governments. Only three known *legislative* mandates were imposed on state and local governments in 1991; however, much of the work of the 102nd Congress was left unresolved.

Agriculture

The House and Senate will again consider the regulation of pesticides.

Banking

Legislation to preempt state control of banks, which failed last year, will likely be offered again in 1992. At issue is the desire by some members of Congress and the Administration to promote interstate branch banking.

Education

The reauthorization of the higher education act will be considered in 1992. The major mandate threat in this legislation involves the federal government requiring states be held responsible for defaults on federal student loans if there are a high percentage of defaults in the state.

Energy and Environment

The reauthorization of an energy bill, the Resource Conservation and Recovery Act, and the Clean Water Act provide potential opportunities to impose costly mandates on state and local governments. The National Association of Legislative Fiscal Officers examined the cost of requiring the states to develop a state waste plan that would include a recycling component. NALFO estimated that the cost of providing for curbside collection and processing materials for recycling would be \$198.5 million for Fiscal Year 1992. Although most states indicated that they have some type of program in place, many cited that the proposed federal program would be an expansion of their current services. Many states also indicated that the cost to local governments would be exorbitant. States are also likely to feel the fiscal pressure of the Clean Air Act regulations as they are promulgated.

Health

The Medicaid prescription drug rebate program will be examined again in 1992. Reauthorization of the Alcohol, Drug Abuse and Mental Health Block Grant will be considered in 1992, opening the possibility for further mandates in this already mandate-laden block grant. There will be further discussion of regulation of health insurance providers. And, there will be discussion of mandatory disclosure of AIDS by physicians and health care providers.

Watch List continues on reverse side...

Hall of the States Mandate Monitor

Watch List Continues...

Housing

The relatively new housing program Home Investments Partnership Program (HOME) will be reauthorized in 1992. The program is designed to increase affordable housing for low-income persons through grants to state and local government. The reauthorization could provide an opportunity for federal lawmakers or officials seeking to impose mandates related to state land use, housing, or community development policies.

Insurance

Bills will be considered that would establish "minimum standards" for state insurance regulation. If enacted, states might be required to increase spending to come into compliance. Alternatively, the federal government may seek to directly regulate the insurance industry and may seek to preempt the states' premium tax base to fund new federal activity.

Justice

The Crime Bill which was stopped at the close of the 1991 session will be reintroduced. Major mandates of concern to states include: mandatory sentencing for state offenses; the "police officers bill of rights", and the prohibition of sports lotteries. One further mandate that was eliminated from the National Literacy Act of 1991 that might make its way into the Crime Bill is mandating prison literacy programs in all facilities of 150 inmates or more. The National Association of Legislative Fiscal Officers estimated that this requirement would have cost the states more than \$21 million in Fiscal Year 1992 alone.

Economic Recovery

Several members of Congress are preparing "economic growth" or recovery measures. The President is also expected to make proposals in his State of the Union address and his budget this month. These may include tax relief and additional domestic spending. There is discussion of new aid to the states. While such a package may be helpful to states facing difficult fiscal situations, it should be remembered that major mandates could be placed in any reconciliation act that might be necessitated by achievement of consensus on tax relief and/or budget process modification legislation. In 1990, the last year that there was a reconciliation bill, over \$13.3 billion in federally imposed mandates were imposed on state and local governments.

Also, the President may introduce block grant legislation in an effort to give states more flexibility. This legislation was first discussed in President Bush's State of the Union address in 1991.

1991 Hall of the States Mandate Monitor

Shaded areas indicate recent changes or additions to the Monitor.

Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
AGRICULTURE					
BANKING	S1461	Levin	Deposit Insurance Protection Act of 1991	Requires states whose state chartered financial institutions cause disproportionate federal insur. losses, due to inadequate state reg., to pay an insur. premium as a condition of future deposit insur.	7/11/91 Banking, Housing, & Urban Affairs
	H76	Gonzalez	Deposit Insurance and Regulatory Reform Act	Would preempt states' authority to regulate interstate banking and branch banking.	10/7/91 Reported to the House 11/4/91 Rejected by House 69-324 11/13/91 Certain provisions incorp. into HR2094
	HR1171	Wolpe		Would req. states in which the failure of state savings associations has involved a disproportionately large share of the thrift resolution costs, including costs incurred by the Resolution Trust Corporation, to pay a state thrift deposit insurance premium as a condition of future federal deposit insurance.	2/26/91 Banking, Finance, & Urban Affairs
COMMERCE	S955	Coffey		Would require states in which the failure of state savings & loans has involved a disproportionately large share of the thrift resolution costs, including costs incurred by the RTC, to pay a state thrift deposit insurance premium as a condition of future federal deposit insurance.	11/26/91 Committee hearings held
	HR2003	Leach		Would require the deposits of all state chartered banks, savings associations, and credit unions to be federally insured by the end of a two year phase-in period.	4/23/91 Banking & Finance
COMMUNICATIONS	S12	Danforth	Cable Television Consumer Protection Act of 1991	Would require coverage of local news on cable television & restore the right of local regulatory authorities to regulate cable television.	6/28/91 Reported by Commerce, Science & Transportation
EDUCATION	S2	Kennedy	Strengthening Education for American Families Act	Certain requirements to be met by including state plans to qualify.	11/13/91 Approved modifications still pending Legislative Calendar Labor, Human Resources
	S1150			Would require states to have stringent requirements for	10/30/91 Senate Labor and Human Resources

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
ENVIRONMENT	S1503	Sawyer	Natl Literacy Act	Student Loan Programs Would provide more stringent reqs. for the Student Loan Program including uniform minimum standards for granting licenses to proprietary schools and places the authority to grant approval in one agency in each state. Would require states to develop indicators of program quality, and would require states to evaluate at least 80% of the projects during the life of the reauthorization. Also would require states to establish a literacy program for incarcerated adults & provides that functionally illiterate prisoners would attend such a program until they are literate or are released. The measure would also require that each state have a functional literacy program in each corrections facility with an inmate population of over 150 within five years of enactment.	7/23/91
	HR751			Provides for more stringent reqs. for the Robert T. Stafford Student Loan Program.	3/19/91 Passed in House 3/20/91 Placed on Senate calendar P.L. 102-73
	HR3239			Would impose a school enrollment requirement on the issuance of motor vehicle licenses and instructional permits.	7/24/91
	HR3648	Kostmayer			10/29/91 Public Works and Transportation
	S130	Pressler		Prescribes that no state may allow a low-level radioactive waste facility to be constructed within 50 miles of another state's border without the approval of that state's legislative branch.	1/15/91 Energy & Natural Resources
	S175	Bingaman		A bill to amend the Resource Conserv. & Recovery Act to improve procedures for implementation of state compacts providing for the establishment & operation of regional disposal facilities for municipal & industrial solid waste & other purposes.	1/15/91 Envir. & Public Works
	S690	Mitchell		Establishes federal requirements for state facilities.	10/24/91 Measure indefinitely postponed
	S942	Hollings		Would require that priority be given to planting trees on state lands devastated by disaster or where tree loss is causing environmental damage.	4/25/91 Small Business
	S976	Baucus	Resources Recovery Act Amendments of 1991	Would require recycling goals for each state.	9/7/91 Subcmte. hearings held by Senate Env. and Pub. Works Comte., Subcmte. on Env. Protec.
	S1081	Baucus	Federal Water Pollution Control Act	Requires state plans, there are federal standards & federal sanctions.	7/18/91 Subcmte. hearings held by Senate Env. Public Works Committee
	HR12			Would require states to conform to federal beach water quality standards. Would require the EPA to develop criteria for beach water cleanliness.	

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Bill Title	Explanation & Programs Affected	Bill Status
HEALTH	HR116	Kanjorski	Solid Waste Compact Act of 89	States would have to test the water along their beaches and post signs if the contamination levels exceeded the uniform standards. A bill to amend the Resource Conservation & Recovery Act to improve procedures for the implementation of state compacts providing for the establishment & operation of regional disposal facilities for municipal & industrial solid waste.	1/16/91 Energy & Commerce
	HR173	Oliver	Solid Waste Transportation Act	Would place certain restrictions on the interstate disposal of solid waste.	1/16/91 Energy & Commerce
	HR870	Torres		Would require management standards and recycling requirements.	2/6/91 Energy & Commerce
	HR921	Richardson		Would prohibit the disposal of solid waste in any state other than the state in which the waste was generated.	2/6/91 Energy & Commerce
	HR945	Taurin		Would require states to provide an opportunity for their citizens to participate in comprehensive recycling programs.	2/6/91 Energy & Commerce
	HR997	Henry		Would require a refund value for certain beverage containers & resources for state pollution prevention programs.	2/21/91 Energy & Commerce
	HR2084	Tallon		Would establish minimum requirement for the water quality criteria for dioxin published pursuant to section 304 of the Federal Water Pollution Control Act, to require each state to adopt a water quality standard for dioxin which is at least as stringent as the US Fish & Wildlife Services, in consultation with National Oceanic Administration, to conduct a study on the effects of dioxin on wildlife.	4/25/91 Public Works
	HR2194	Eckart	Fed. Facil. Compl. Act of '91	Establishes state requirements for federal facilities.	6/4/91 Ordered reported by Energy & Comm.
	HR2387	Studds	Reauth. of the 1984 Atlantic Striped Bass Conservation Act	Allows the federal govt. to temporarily bar bass fishing in the coastal waters of states that do not comply with federal guidelines to protect the striped bass.	10/17/91 P.L. 102-130
	S5	Dodd	Family & Medical Leave Act	Requires employers with 50 or more employees to grant up to 12 weeks of unpaid leave per year to full-time employees for childbirth, adoption, serious illness of the employee or an immediate family member. Employee would be entitled to health insurance during the leave period & reinstatement to the same or an equivalent position upon return.	10/2/91 Passed Senate 11/12/91 Passed House
	S25	Mitchell	Freedom of Choice Act-1991	Except for protecting the life or health of a woman, a state may not restrict the right of a woman to terminate a pregnancy.	1/14/91 Labor & Human Resources
	S1229	McCain	Small Employer Health Insur. Incentive Act	Would exempt certain small employer purch. groups from certain requirements of state laws relating to health benefit plans & to amend the	6/6/91 Finance

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
	S1446	Kerrey	Health USA Act of 1991	IRS Code of '86 to equalize tax benefits for self-employed persons participating in such groups.	7/11/91 Finance
	HR8	Oaker		Would provide for an equitable & universal nat'l health care program administered by the states.	1/16/91 Ways & Means
	HR2089	Walsh	Hearing Loss Testing Act	Would provide for an equitable & universal national health plan administered by the states & for other purposes.	4/24/91 Energy & Commerce
	HR2235	Thomas	Amend. to Public Health Service Act	Would require hearing loss testing of all newborns.	5/7/91 Energy & Commerce
	HR2691	Jefferson		Would require that states expend a specific percentage of certain purposes relating to the treatment of IV drug abuse under alcohol & drug abuse block grant.	6/19/91 Energy & Commerce
	Proposed Amend.	Dole		If a dental health care professional has been licensed by a state to provide dental health care, another state may not, in considering an application by the professional for a license to provide the dental services involved, discriminate against the professional on the basis that the professional is not a resident of the state, or that the professional was first granted the license by another state.	
	Proposed Amend.	Hatch		Would require that states receiving assistance under any federal health grant program certify to the administrator of such program that the state has in effect a law requiring certain health professionals infected with AIDS to disclose this information to their patients.	
	HR2810	Michol		Would require states receiving assistance under any federal health grant program to certify to the administrator of such program that the state has in effect a law requiring individuals infected with AIDS to disclose such infection to any health care professional.	6/27/91 1-Ed. & Labor 2-Energy & Commerce
	HR3656	Campbell		Would expand the nation's drug treatment capacity, promote drug-free/safe schools, require statewide drug abuse prevention & treatment plans, and ensure that new federal grant dollars provided for treatment sources do not displace state dollars.	
				Would give priority in the awarding of certain grants to entities located in states that have enacted laws to limit the malpractice liability of physicians providing charity care services, and to amend the McKinney Homeless Act to give priority in the allocation of homeless housing assistance to recipients in states that have enacted such laws.	
Medical	S4	Bentsen	Child Welfare & Preventive	Mandates continuous coverage of children under age 6 for	1/15/91 Finance

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
			Services Act	6 months at a time, prohibits terminating Medicaid coverage for children under age 19 before the state determines that the child does not qualify for Medicaid under other criteria. Mandates Medicaid coverage of all children who are SSI recipients. Mandates adjustments in payments in disproportionate share hospitals when services are provided during exceptionally long & costly hospital stays for children to age 19. Changes matching rate in Medicaid. Also deals with foster care, adoption, and substance abuse. Coverage of residential drug treatment for pregnant women & certain family members.	1/15/91 Finance
	S29	Moynihan			1/14/91 Finance
	S62	Moynihan	Homeless Mentally Ill Outreach Act	Would require states to provide coverage for mobile outreach units to identify and assist mentally ill homeless people.	4/26/91 Subcom hearings held
	S902	Bradley	Infant Mortality & Children's Health Act of 1991	Would phase in coverage of pregnant women & infants with incomes below 185% of the poverty level.	
	S905	Bradley	Childhood Immunization Improvement Act of 1991	Would require additional vaccination coverage under the Medicaid program.	8/2/91 Finance
	S1677	Deschle		Provide for coverage of alcoholism & drug treatment services under Medicaid.	1/15/91 Energy & Commerce
	HR276	Collins	Hospital Closings Community Relief Act of 1991	Would require state plans for appropriately responding to closing of hospitals.	1/16/91 Energy & Commerce
	HR290	Collins		Would require coverage of services to pregnant women and children up to 185 percent of the federal poverty line.	1/16/91 Energy & Commerce
	HR395	Quillen		Would provide that clinical social worker services are a mandatory benefit.	1/16/91 Energy & Commerce
	HR382	Oskar	Breast Cancer Treatment Informed Consent	Would require states to enact laws requiring physicians & surgeons to inform breast cancer patients of alternative effective methods of treatment for breast cancer in order to qualify for Federal Funds.	1/14/91 Energy & Commerce
	HR459	Cooper	Fairness in Medicaid Funding Act of 1991	Would change the medical assistance percentage used under the Medicaid program.	2/6/91 Energy & Commerce
	HR660	Panetta		Would require the coverage of hospice care under Medicaid.	2/6/91 Energy & Commerce
	HR930	Snowe	Amend. to Title XIX of the Soc. Sec. Act	Would require states to adopt & enforce certain guardianship laws providing protection & rights to awards as a condition of receiving Medicaid funds.	2/21/91 Energy & Commerce
	HR1129	Collins		Would require State Medicaid programs to provide coverage of screening mammography/pap smears.	3/7/91 Energy & Commerce
	HR1171	Schroeder		Would require coverage of obstetrical & gynecological services	

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
HUMAN SERVICES	HR1280	Boxer		furnished by nurse practitioners. Would require an entitlement program regarding the immunization of infants against vaccine-preventable diseases.	3/7/91 Energy & Commerce
	HR1311	Vucanovich		Would require state Medicaid plans to provide screening mammography.	3/7/91 Energy & Commerce
	HR1916	Wyden		Would establish federal standards for long-term care insurance policies.	10/24/91 Submits. Hearings held by House Energy
	HR2213	Penny	Child Health Program Act of 1991	Would require states to establish a basic outpatient service to needy children.	5/2/91 Energy & Commerce, Ways & Means
	HR2949	Stark	Amend. to Soc. Sec. Act, Title XIX	Would require coverage of prescribed drugs under the Medicaid program for qualified Medicare beneficiaries and qualified disabled and working individuals.	7/18/91 Energy & Commerce
	HR3595	Waxman	Medicaid Moratorium	Would place a moratorium on federal regs. prohibiting the use of Provider taxes and voluntary contributions to pay for Medicaid. Limits the percent share of the Medicaid Match that states can collect using these methods to 25 percent.	10/23/91 Approved by House
	S4	Santen	Child Welfare & Preventive Services Act	1. Would require child in foster care to be placed in setting most appropriate for that child. 2. Would require states to submit all claims for federal reimbursement in one calendar year. 3. Would require the health & education records of foster care to include: 1) telephone numbers of health providers, and 2) record of service under Medicaid. Mandates continuous coverage of children under age 6 for 6 months at a time, prohibits terminating Medicaid coverage for children under age 19 before the state determines that the child does not qualify for Medicaid under other criteria. Mandates Medicaid coverage of all children who are SSI recipients. Mandates adjustments in payments in disproportionate share hospitals when services are provided during exceptionally long & costly hospital stays for children to age 19. Changes matching rate in Medicaid. Also deals with foster care, adoption, and substance abuse.	1/15/91 Finance
	S60	Moynihan		A bill to amend title IV of the Social Security Act to require states to develop plans for cases where the placement of certain children in foster care or transitional independent living may not be carried	1/15/91 Finance

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
	S61	Moynihan		out immediately. A bill to amend title IV of the Social Security Administration Act to make improvements in the foster care maintenance payments program and for other purposes.	1/15/91 Finance
	S1212	Graham	Amend. to Soc. Sec. Act, Title XVIII	To provide coverage for certain preventive care items and services under part B, and to provide a discount in premiums under such part for certain individuals certified as maintaining a healthy lifestyle.	6/4/91 Finance
	HR375	Mollohan		Would extend eligibility for the Child Care Food Program to children receiving day care services pursuant to a state's job opportunities & basic skills training program.	1/16/91 Education & Labor
	HR1507	Gekas		Would require states that not later than 60 days after commencing any proceeding to compel the sale of residence occupied by an older individual from such residence, notice of such proceeding be given to such individual & to the appropriate area agency on aging if such proceeding is based on the failure of such an individual to pay debt.	3/20/91 Education & Labor
	HR2021	Snowe		Would require states to appoint an advisory board to make recommendations regarding transportation services that affect older individuals; to provide for coordination of such services & to require the commissioner of Aging to submit a report regarding transportation services provided under such act.	4/25/91 Education & Labor
	HR2025	Snowe		Would require states to expand state & community involvement in order to promote community-based long-term care services to older individuals, including related services for their caregivers.	4/25/91 Education & Labor
	HR2362	Fawell	At-Birth Abandoned Baby Act of 1991	Requires states to adopt laws to allow for adoptions of abandoned babies within 90 days of abandonment. If states fail to pass legislation, funds under Title IV of the Soc. Sec. Act will be withheld.	5/15/91 Ways & Means
	HR2571	Downey		1. Would require 15% of IVB funds be spent on state courts with funds going directly to the court administrator. 2. Includes a 50% set-aside with money to be spent on family preservation services including substance abuse. 3. Eliminates the means test for Title IV e., therefore, every child in foster care can be paid for by the federal gov't. However, the match rate is reduced to 40% for services & 25% for administration. 4. Requires a state directory of services. 5. Requires extensive data collection. All child welfare spending in each state needs to be broken down by federal, state, & local.	6/6/91 Ways & Means 9/24/91 Subcmte. consideration & markup held by House Ways and Means Cmte. Subcmte. on Trade

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
Family Leave	S1	Dodd	Family Leave	6. Requires states to participate in AFDC's emergency assist. program.	10/2/91 Passed Senate 11/13/91 Passed House
	HR7	Clay	Family & Medical Leave Act	Requires employers with 60 or more employees to grant up to 12 weeks unpaid leave per year to full-time employees for childbirth, adoption, or other serious illness of the employee or an immediate family member. Employees would be entitled to health insurance during the leave period & reinstatement to the same or an equivalent position on return. A bill to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition & to temp. medical leave in certain cases involving a serious health condition, with adequate protection of the employees employment & benefits rights, & to establish a commission to study ways of providing salary replacement for employees who take any such leave.	11/6/91 Cmte. hearings held by House Rules Cmte. 11/13/91 Laid on Table in House
	d.6/6/91 pp 26194 -26240		Child Care Regulations	1. Requires states to spend 90% of their block grant flexible funds on direct services. 2. Withholds federal dollars for any state that restricts parental choice, including state restrictions that limit the availability of private & sectarian providers. 3. Forbids states, even if federal money is exhausted, to restrict the number of child care certificates. 4. Requires that federal funding supplement existing state dollars and not supplant it using the previous year as the base (i.e. Sept.'90 for FY '91). 5. Requires states to allow parents who receive certificates to use them for sectarian purposes.	8/6/91 Comments period ends
	d.6/25/91 pp 29054 -29069		At-Risk Child Care Regs.	In violation of the legislation, the regulations define "in order to work", and would restrict at-risk child care to families who need child care to accept employment or remain employed, not those who are unemployed, in training or in educational programs. Circumvents state authority on standards as those generally applicable to care of a particular type regardless of the source of payment for the care. This provision would require states to pay for child care even if the provider was exempt from state standards.	8/25/91 Comment period ends
JUSTICE	S15	Biden	Violence Against Women Act	Requires certain grant recipients to establish state commission on Domestic Violence	10/29/91 Reported to the Senate
	S250	Ford	Nat'l Voter Registration Act	Would require states to allow residents to register to vote in federal	10/25/91 Motion to close debate on the motion to

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1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Bill Title	Explanation & Programs Affected	Bill Status
				elections when they apply for a driver's license or state or federal benefits such as unemployment insurance.	proposed in consideration; motion withdrawn
	S288	Dixon	Regional Pres. Primaries & Caucuses Act of 1991	Requires each state to conduct primaries in accordance with this law. No state will be allowed to hold a Presidential primary on a date other than the date assigned by the commission to the region in which the state is located.	1/30/91 Rules & Admin.
	S321	McConnell	Law Enforcement Officers' Bill of Rights	Unless states adopt the Law Enforcement Officers' Bill of Rights, federal funding under the Omnibus Crime Control & Safe Streets Act of 1968 would be cut by 20%. In addition, it allows states to be sued for not passing the Bill of Rights.	1/31/91 Judiciary
	S352	Glenn	Nat'l Guardianship Rights Act of 1991	Would establish national standards for the protection of the rights of alleged incapacitated individuals.	2/5/91 Judiciary
	S635	Thurmond	Comprehensive Violent Crime Control Act	Conditions receipts of funding on state implementation of drug testing for targeted classes of offenders.	6/16/91 Placed on Senate calendar
	Amend. S1008	Rudman McConnell	Amendment to the Crime Bill Nat'l Child Abuser Regist. Act	Would direct states to increase the size of local police forces. Would req. state agencies to register all offenders convicted of any acts involving child abuse with the Nat'l Crime Info. Center at the Dept. of Justice.	5/8/91 Judiciary
	S1170	Durenberger	Crimes Against Children Registration Act	The Attorney General shall establish a state program & guidelines requiring any person who is convicted of a criminal offense against a victim who is a minor to register a current address with local law enforcement officials of the state for 10 years after release from prison, parole, or supervision.	5/23/91 Judiciary
	S1454	Seymour	Penalties Agnst. Violence	Would establish penalties for participation in illegal gang activity.	7/11/91 Judiciary
	HR1	Brooks	Civil Rights Act of 1991	Would amend the Civil Rights Act of 1964 to restore & strengthen civil rights laws that ban discrimination in employment.	11/2/91 indefinitely postponed by the Senate
	HR46	Bennett	Regional Pres. Primaries Act of 1991	Requires each state to conduct primaries in accordance with this law. No state will be allowed to hold a Presidential primary on a date other than the date assigned by the commission to the region in which such state is located. Requires that each voter shall be eligible to vote only for a candidate for nomination by the party of that voter's registered affiliation. If the state law makes no provision for registration by party affiliation, voters in that state shall register in accordance with procedures prescribed by the Attorney General.	1/3/91 House Administration
	HR326	Gingrich		Would provide for mandatory education for incarcerated adults.	1/16/91 Education & Labor 3/19/91 Certain provisions put into HR751 (see Education section)
	HR629	Solomon			

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1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
LABOR	HR642	Jacobs	Amend. to U.S. Code, Title 18	Would impose mandatory sentences for violent felonies committed against the elderly.	1/24/91 Judiciary
	HR1241	Hyde		Would require a 20 percent reduction in certain assistance, unless a law enforcement agency has a binding law enforcement officer's bill of rights.	1/24/91 Judiciary
	HR2217	Traffant		Requires states to impose sentences of 6 months to 2 yrs. for parents who flee for the purpose of avoiding payment of child support.	3/5/91 Judiciary
	HR2553	Hobson		Would withhold a portion of law enforcement federal assistance to states that do not have a law that permits the death penalty or life imprisonment without parole, for any conviction of premeditated murder and for any conviction of murdering a law enforcement officer.	5/2/91 Judiciary
	HR2858	Manton		Would require state agencies to register persons convicted of any acts involving child abuse with the Nat'l Crime Info. Center of the Dept. of Just.	6/5/91 Judiciary
	HR2862	Remstad		Would impose mandatory prison terms for possession or use of a firearm or a destructive device during conduct constituting a crime of violence or a drug trafficking crime under state law.	7/10/91 Judiciary
	HR2903	Gallegly		Would require any person who is convicted of a state criminal offense against a victim who is a minor, to register a current address with law enforcement officials of the state for 10 yrs. after release from prison, parole, or supervision.	7/10/91 Judiciary
	HR2904	Gallegly		Would impose minimum mandatory prison sentences for drug crimes involving minors.	7/16/91 1-Energy & Commerce 2-Judiciary
	HR2931	Hobson		Mandates life imprisonment without release for drug traffickers or violent criminals convicted of a third offense.	7/16/91 1-Energy & Commerce 2-Judiciary
				Would require state agencies to register all offenders convicted of any acts involving child abuse with the Nat'l Crime Info. Center of the Dept. of Just.	7/17/91 Judiciary
	HR3357	Brooks	Omnibus Crime Control Act of 1991	Preempt state law over criminal sentences	10/22/91 Measure passed in House 305-118
	SE00	Meizenga	Amendment to the Fair Labor Standards Act	Would require states to certify that all minors who wish to work have a) permission from guardians and b) are enrolled in school	3/7/91 Introduced in Senate
	HR514	Kolter	Coal Miner's Unemployment Assistance Act of 1991	Would establish a temporary program of supplemental unemployment benefits for unemployed coal miners who have exhausted their rights to regular unemployment benefits.	1/14/91 Ways & Means

1991 Hall of the States Mandate Monitor

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
REVENUE & TAX	HR773	Stark		Amends the Social Security Act to make ineligible any state that supplements Federal SSI benefits, but does not pass such benefits along.	2/6/91 Energy & Commerce
	EE20-91		Social Security Regulations	Regs. to assist state & local govts. comply with P.L. 101-508 mandating Soc. Sec. coverage for all state & local govt. employees not covered by a state or local retirement system. In the regulation, the IRS set minimum retirement benefit requirements which state that benefits received from a state or local govt. must be equivalent to the benefit the employee would have received under Soc. Sec.	
	S267	Reid		Would prohibit a state from imposing an income tax on the pension or retirement income of non-residents.	1/25/91 Finance
	S473	DeConcini	Sports Service Mark Protection Act	No state shall sponsor, operate, advertise, or promote any lottery, sweepstakes, or other betting or gambling that uses or exploits, directly or indirectly, a service mark owned by a professional or amateur sports organization.	Judiciary 6/26/91 Subcmte. hearings completed
	S474	DeConcini	Professional & Amateur Sports Protection Act	No state shall sponsor, operate, advertise, authorize, license, or promote any lottery, sweepstakes, or other betting, gambling, or wagering scheme based, directly or indirectly, on any game conducted by any professional or amateur sports organization.	11/26/91 Reported to the Senate. S.Rpt. 102-240
	S1681/ HR213	Seymour/Crane		A bill to amend title II of the Social Security Act to make it clear that states & local governments may not tax Social Security benefits.	1/16/91 Ways & Means
	HR431	Vucanovich		Prevents states from imposing taxes on nonresidents' withholding pensions.	1/14/91 Ways & Means
	HR490	Lent	Amend. to IRS Code of 1954	Amends the IRS code of 1954 to exclude from the gross income of any participant in any state or local government plan so much of any distribution from such plan as represents his allocable share of tax exempt interest of such plan.	1/11/91 Ways & Means
	HR1531	Unsoeld		Would prohibit a state from imposing an income tax on the pension income of individuals who are not residents of that state.	3/20/91 Judiciary
	HR2913	Archer	Domestic Corporation Tax Equality Act of 1991	Would prohibit states from imposing taxes on a worldwide unitary base. Also would prohibit states from requiring the inclusion of the income tax of a corporation is calculated more than an equitable portion of any dividend received from certain unrelated foreign corporations.	7/16/91 1-Judiciary 2-Ways & Means
TRANSPORTATION	HR2971	Doolittle		A bill to amend the Title II of the Social Security Act to provide that no state or local government may tax Social Security benefits.	7/23/91 Judiciary

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Program Area	Bill/Reg. Number	Sponsor	Brief Title	Explanation & Programs Affected	Bill Status
OTHER	HR159	Neal		A bill to provide that the percentage of total apportionments of funds allocated to any state from the highway trust fund in any fiscal year be at least 100 percent of the percentage of estimated tax payments paid into the highway trust fund which are attributable to highway users in such states in the latest fiscal year for which data is available.	1/16/91 Public Works & Transportation
	HR2542	Torricelli	Amend. to U.S. Code, Title 23 Surface Trans. Resauthorization	Requires states to adopt the system for handicapped parking established by the Sec. of Transportation and to recognize the parking stickers of individuals with disabilities from other states. 1. Effective 9/30/96, states must join the Internat'l Registration and the international Fuel Tax Agreement. 2. Effective 9/30/94, states will no longer be allowed to collect fees from motor carriers subject to the jurisdiction of the ICC. A 1-year grant program would be established to offset the revenue loss to the states. 3. Effective 9/30/96, states must join the Internat'l Fuel Tax Agreement which uses a base state registration for the collection of fuel use taxes and is overseen by the IFTA Board. Would preempt state laws relating to the reg. of rates for surface transport of property services provided by certain motor and air carriers.	6/4/91 Public Works & Transportation
	HR 3221	Clement			7/23/91 Public Works
	S25	Cranston	Freedom of Choice Act of 1991	Would prohibit states from restricting the right of a woman to choose to terminate pregnancy before fetal viability or to protect the life and health of a woman.	1/14/91 Labor & Human Resources
	HR74	Bryant	Professional & Amateur Sports Protection Act	Would prohibit sports gambling under any state law.	1/16/91 Judiciary
	HR611	Gallagher		Would make ineligible for federal financial assistance any state or locality the President determines to have a policy providing sanctuary to members of the Armed Forces who are avoiding military obligations.	1/23/91 Energy & Commerce
	HR843	Atkins	National Plumbing Products Efficiency Act of 1991	Would establish federal standards for the manufacture and labeling of certain plumbing products.	2/6/91 Energy & Commerce
	HR1424	Moyers		Would require states to permit certain emergency response personnel to conduct preincident planning activities and for other purposes.	3/13/91 Gov't Operations

19. ENCOURAGING EXPERIMENTATION

BLOCK GRANT

To achieve general agreement on a single consolidated block grant with representatives of State and local government, the Administration modified its block grant proposal in

the 1992 budget. The resulting 24 program candidates (\$14.7 billion in 1993) are set out in Table 19-1.

Table 19-1. BLOCK GRANT PROGRAM CANDIDATES
(In millions of dollars)

Department/Programs	1992 Enacted		Proposed									
	BA	O	1993		1994		1995		1996		1997	
			BA	O	BA	O	BA	O	BA	O	BA	O
Education:												
Chapter 2	450	517	450	478	450	453	450	450	450	450	450	450
College assistance migrant program	2	2	2	2	2	2	2	2	2	2	2	2
High school equivalency	8	7	8	8	8	8	8	8	8	8	8	8
Drug Free Schools and Community Act	624	654	654	648	654	649	654	653	654	654	654	654
Vocational education	1,135	859	1,138	981	1,138	1,131	1,138	1,145	1,138	1,138	1,138	1,138
Education for homeless youth	25	10	25	22	25	25	25	25	25	25	25	25
Follow-through program	9	7	—	7	—	2	—	—	—	—	—	—
Adult Education Act (State Grants)	238	175	281	202	281	254	281	282	281	281	281	281
Foreign language assistance	10	5	—	8	—	2	—	—	—	—	—	—
Student literacy corps	5	4	—	4	—	1	—	—	—	—	—	—
Workplace literacy partnerships	19	16	19	16	19	19	19	19	19	19	19	19
Literacy training for the homeless	10	8	10	8	10	10	10	10	10	10	10	10
Environment:												
Construction grants	2,011	2,198	2,030	2,110	1,500	2,044	700	1,889	200	1,809	—	1,162
Health and Human Services:												
Maternal and child health block grant	650	553	674	674	674	674	674	674	674	674	674	674
Social services block grant	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
State welfare administrative expenses:												
Medicaid	2,649	2,649	2,868	2,802	2,868	3,164	3,521	3,521	3,922	3,922	4,374	4,374
AFDC	1,369	1,403	1,483	1,466	1,587	1,567	1,598	1,600	1,650	1,643	1,685	1,681
Food stamps	1,410	1,457	1,470	1,456	1,511	1,507	1,564	1,560	1,620	1,615	1,677	1,672
Justice:												
Drug control	498	341	498	502	498	498	498	498	498	498	498	498
Juvenile justice	72	68	8	58	9	28	8	9	8	8	8	8
Other Programs:												
Job training for the homeless	9	11	17	11	17	18	17	17	17	17	17	17
ASCS cost share	194	204	125	171	125	164	125	139	125	135	125	127
Community service employment for older Americans	87	84	75	85	75	77	75	75	75	75	75	75
National and Community Services Act	73	38	73	57	73	70	73	73	73	73	73	73
Total	14,355	14,068	14,698	14,622	14,598	15,188	14,218	15,427	14,227	15,634	14,571	15,726

This revised list replaces the illustrative list of programs the President proposed last year. The President's goal is to move power and decision-making authority closer to the people and allow State and local governments greater flexibility to manage programs more efficiently and effectively.

In order to move the proposal forward, the Administration asked the Governors, State legislators and local officials to review the Administration's proposed block grant principles and identify other program candidates that they would consider suitable for turnover to the States. Governors and State legislators endorsed the block grant concept. Representatives of local government were more cautious, even negative; but representatives of the National Association of Counties and the National League of Cities contributed substantially to the discussions.

Additions to, and deletions from, the Administration's illustrative list were made as a result of this process. Specifically, the Gov-

ernors recommended including additional education programs, while local governments recommended dropping housing programs. In the end, the participants generally agreed to the list of programs for turnover to the States (set out in Table 19-1).

It is recognized that some type of transition period will be necessary to ensure that sufficient fund controls and service delivery mechanisms are in place. The goal of the Administration's block grant proposal is to provide State and local governments with the maximum flexibility possible, phased in over a five-year period. The funding formula proposed would approximate current funding distribution levels to the individual States—seeking to ensure that no State would be harmed as these programs are incorporated into the new block grant.

A legislative package, containing the Administration's proposal, will be proposed to Congress after further consultation with representatives of State and local governments.

CREATIVE USE OF WAIVERS IN WELFARE PROGRAMS

Efforts to improve major assistance programs for low-income families must grapple with the fact that practically any change to one program will have consequences for other programs serving the same population. This interaction of program designs makes it necessary for States to seek permission separately from several Federal agencies when they want to demonstrate innovative ways to move families from welfare dependency to self-sufficiency.

For example, to encourage family-heads receiving Aid to Families with Dependent Children (AFDC) to seek employment, a State may wish to allow a family to earn an extra \$100 a month without any reduction in their AFDC benefit. However, without a complementary change in the way the Food Stamp Program operates in the demonstration, the family's food stamps will be reduced by about \$30 to reflect the additional \$100 in cash income. Thus, the extra income to the family would be only \$70 instead of the \$100 intended.

To encourage States to design and test potential improvements to current programs, the Administration will institute an inter-agency review process to coordinate and expedite State requests for waivers of assistance program rules which are necessary to demonstrate the alternatives. The process will allow States seeking waivers involving several programs to have a single Federal contact responsible for managing the Federal process of obtaining the waivers.

A similar process was created in 1967 in response to initiatives by a variety of States to test welfare reform proposals. Over the following year, an interagency board (made up of representatives from agencies administering programs of assistance to low-income people) arranged for Federal approval of demonstration proposals from more than a dozen States. Within the next year or two, results from most of these previous multi-year demonstrations will add significantly to our knowledge of how to address welfare dependency.

For example, under the waiver process—

- Wisconsin and Ohio are testing alternative approaches to increasing high school attendance by children in families receiving AFDC. Wisconsin's "Learnfare" program reduces a family's AFDC payment if a child fails to meet school attendance requirements. In Ohio, grants are higher for attendance and lower for failure to stay in school.
- New York is experimenting with a child support assurance program recommended in recent reports on the condition of children and proposed in several bills pending before Congress. When a custodial parent has an order for support from an absent parent, the State moves aggressively to enforce the order. However, if the support actually received falls below a minimum level, the State provides the custodial parent with the difference. Unlike current welfare programs, this payment is not reduced to offset any earnings of the custodial parent. Advocates of the program hope it will encourage custodial parents to obtain support orders, increase their employment, and provide assistance without the stigma usually associated with welfare.
- Alabama is testing a program that simplifies and rationalizes welfare programs. Based on the adoption of common rules and policies across several programs, families with children receive aid in the form of a single cash payment. Vigorous education and training and a school attendance requirement for dependent children are part of the demonstration.
- Washington is experimenting with a program that provides a single cash grant including both AFDC and the cash value of food stamps, along with rules that provide higher benefits to families in training programs and more favorable treatment of income from earnings.

These demonstrations embody a wide range of policies to improve the welfare system. Implementation of national program changes, without testing, could make things worse, both in human and budgetary terms. Encouraging States to test their ideas, to be lab-

oratories of change, gives policy-makers at the national level a firmer foundation for their decisions.

To open Federal research and demonstration activities up to such a wide range of proposals, two conditions are needed:

First, the demonstration must be cost-neutral to the Federal Government across programs. If State assumptions of savings from the new approach are correct, States should be able to draw on the Federal share of funds they saved and pay for demonstration activities for which Federal funds are otherwise not available. Conversely, if the innovations turn out to be more expensive than the programs they were intended to replace, Federal funding will be limited to the amount of spending that would have occurred in the absence of the demonstration.

Applying the cost-neutrality requirement across all Federal programs involved in the demonstration provides significant additional flexibility for the States. For example, some States have encouraged AFDC families to leave the rolls by providing Medicaid coverage for a transitional period in excess of that allowed in current law. While the demonstrations involved an increase in Medicaid costs, at least in the short run, the States hope these costs will be offset by lower AFDC costs.

Second, participating States must agree to a rigorous evaluation of their demonstrations (usually based on experimental evaluation design). While well-designed evaluations may require more resources and effort, States should be willing to undertake them, so that the impact of the demonstration will have wide credibility.

These principles of cost-neutrality and rigorous evaluation will be applied by the inter-agency review process to expedite approval of future State proposals for multi-program low-income assistance demonstrations.

The Administration will also explore with the States ways to expedite the review and approval of other waivers that are not for research and demonstration purposes. With some programs, the law authorizes waivers to provide States with added flexibility. If

the State's alternative practice can be shown to be cost-effective. The cost-neutrality principles discussed above, that will be applied

to multi-program demonstration waivers, may also be applicable to other cost-effectiveness waivers.

EXAMPLES OF FEDERALLY PROMPTED STATE INNOVATIONS AND DEMONSTRATIONS

ALTERNATIVE METHODS OF MEAL COUNTING IN CHILD NUTRITION PROGRAMS

The Food and Nutrition Service's (FNS) school lunch and breakfast programs offer meal subsidies to schools. The level of these subsidies varies with student family income. Under current practice, to claim subsidies, schools must maintain a head count of meals served to students in each subsidy category. In 1990, FNS approved nine pilot projects (including California, Maine, Oregon, Pennsylvania and Ohio) to test samplings (versus head counts) as a means of counting and claiming reimbursements for school lunches. In Philadelphia schools, where more than 70 percent of the students are eligible for free or reduced price lunches, they have introduced universal free lunches. In Atlantic City, some schools now receive subsidies based on statistical sampling techniques; if the sample indicates that 30 percent of the students in the school would be eligible for free lunches, the school receives free lunch reimbursement for 30 percent of the meals served.

DRUG ABUSE TREATMENT

The Department of Health and Human Services is providing Federal matching funds at a rate of 80 percent for two drug abuse campus treatment demonstrations. During 1991, the campuses were awarded three-year cooperative agreements at approximately \$9 million each per year. The campuses, located in New Jersey and Texas, will provide 675 beds in a range of treatment programs. The campuses will emphasize treatment of one or more of the following populations: racial and ethnic minorities, pregnant women, female addicts and their children, and adolescents. Knowledge gained through evaluations

of these treatment programs will improve the residential community treatment model and increase the efficacy of the national drug abuse treatment system.

SELF-EMPLOYMENT DEMONSTRATION PROJECTS

The Department of Labor (DOL) is carrying out a series of demonstration projects designed to get unemployed workers back into jobs, particularly dislocated workers who are likely to remain unemployed for some time. Two of these projects focus on self-employment. In Massachusetts and Washington, State employment security agencies and economic development agencies are examining the effectiveness of providing self-employment allowances and support services (e.g., business training and counseling) to help interested unemployment insurance (UI) claimants start their own small businesses. Massachusetts provides financial assistance in the form of weekly or biweekly allowances set at the level of the participant's UI benefits. Washington provides a lump-sum grant of business start-up capital (based on the remaining portion of the participant's UI benefits). DOL will evaluate the Massachusetts and Washington demonstrations with respect to various outcomes (e.g., participant earnings and assets, employment stability, business survival) and cost effectiveness.

AIRPORT BLOCK GRANT PROGRAM

Over the past 3 years, under a Federal Aviation Administration experimental program, Illinois, North Carolina and Missouri have taken responsibility for distributing Airport Improvement Program (AIP) grants to small airports. Due to the success of the pilot program, the Administration will propose legislation to expand the State block grant

program to allow voluntary participation by all States.

PASSENGER FACILITY CHARGES

The Aviation Safety and Capacity Expansion Act of 1990 authorizes airports to impose "Passenger Facility Charges" (PFCs) of \$1 to \$3 on departing passengers in order to fund increased capacity. PFCs increase local airport authority flexibility to raise revenues to meet their own needs. The Department of Transportation has received 16 applications from airports to collect a total of \$1.9 billion over several years in PFCs. These funds will support airport improvement projects—including runway extensions, terminal development and the construction of new gates. At least 40 airports are planning to apply for authorization to collect PFCs next year.

TOLL ROADS

The Intermodal Surface Transportation Efficiency Act of 1991, for the first time in the history of the Federal highway program, permits States wide discretion in the use of Federal funding for the construction and reconstruction of toll highways. States will be able to mix Federal funds and tolls to upgrade existing free, non-Interstate highways.

This could lead to the acceleration of projects since State and local governments would not have to rely exclusively on limited user fee or general revenue resources. The new law permits the continuation of tolls after the debt for the highway is retired, as long as the revenue is used for transportation purposes. The new law also allows joint public and private investment to construct

or improve toll roads and authorizes private entities to own Federally funded toll facilities (as long as certain conditions are met).

The Department of Transportation is, in addition, initiating a pilot program of variable tolls to reduce congestion at peak travel times on Federally financed highways. The program will consist of five projects, three of which may be on the Interstate Highway System. In order to prevent traffic delays at toll booths, new state-of-the-art technologies to assess and collect tolls (and eliminate the need for motorists to stop at toll booths) will be introduced.

MATCHING FLEXIBILITY IN MASS TRANSIT

The Federal Transit Administration's "over-match initiative" is designed to spread Federal mass transit capital dollars further and achieve more construction. The initiative generally requires State and local governments to match at least 50 percent of the cost of a project (instead of the statutory minimum of 20 percent) in return for expeditious review of their planning studies and priority consideration for funding.

An example involves Honolulu's rapid rail system. Honolulu and the State of Hawaii collaborated on innovative financing and procurement methods to build the new system with only 30 percent Federal funds. The city will use higher local excise taxes to help finance its share. Honolulu also avoided the problem of cost overruns by using the turnkey method of contracting, under which a vendor received a contract to design, build and operate the system for a fixed price.

20. REPORTING ON VARIATION AND INNOVATION

Most experimentation and innovation at State and local government levels come spontaneously with no Federal prompting. Sometimes, as in health care experiments, what is learned from State efforts may ultimately have a profound influence on national policy. In other cases, the lessons learned are pri-

marily valuable for possible imitation in other States and localities. This chapter reports on a sampling of innovations at the State and local levels, many of which—depending on how the experiments work out—could help develop solutions to national problems.

COPING WITH RISING WELFARE CASELOADS

In 1989, the number of families and individuals receiving benefits from the major Federally funded low-income assistance programs began to rise sharply. This trend accelerated in 1990. By October 1991, the number of families receiving cash aid from the Aid to Families with Dependent Children (AFDC) program had reached 4.6 million, 21 percent higher than two years earlier. Over the same period, an additional 4.6 million people had joined the Food Stamp Program rolls, a 24 percent increase.

The surge in the number of participants came just as the States were implementing the Family Support Act of 1988. The Act aimed to change the focus of AFDC from income maintenance to education and employment. The Act provides States with broad flexibility to design programs that meet the needs and circumstances of their recipient families.

The national assessment of the effects of the Act will be built upon rigorous evaluations of a variety of innovative State programs in ten sites. Variations on different service philosophies will be tested, including a model that stresses investment in education and training and one that stresses attachment to the work force.

In addition, States are testing or considering a wide range of policies, beyond those in the Family Support Act, to move recipients from the welfare rolls to the employment rolls and otherwise influence behavior.

The State of Michigan and the University of Michigan are planning to study the effects of State reduction of eligibility for general assistance payments to able-bodied single adults. Among the questions are whether employment of this population will increase, whether spending in the corrections system for the same population will offset welfare savings, whether homelessness will increase, or whether a combination of all of these may occur.

Other State initiatives experiment with conditioning benefits upon a behavioral standard. One of the strongest links in the chain of poverty is low educational achievement. As mentioned in Chapter 19, Wisconsin and Ohio are already testing alternative schemes of monetary rewards and penalties for school attendance by children in AFDC families. Maryland and California are also considering variations of this approach.

States have, in addition, begun to explore ways to influence decisions about bearing and raising children out of wedlock. AFDC increasingly has become a program for mothers who have never been married. Mothers and children end up on welfare because families do not form, rather than because they break up.

To counter this trend, the Governor of Wisconsin has proposed a financial incentive for teenage welfare mothers to marry. To complement the proposal, the State would provide for AFDC eligibility for young couples

with children even when the father has not established the attachment to the work force required in the regular AFDC Unemployed Parent program.

To encourage AFDC mothers to postpone additional child-bearing, several States (including Maryland, New Jersey, and California) are considering limits on benefits for larger families.

Other behavioral experiments include (1) the Governor of Maryland's proposal to require AFDC recipient parents to immunize their children and keep their rent paid or face a reduction in benefits, and (2) the Governor of California's proposals to reduce benefits after a family has remained on the rolls for six months and require teenage parents to remain in their parents' homes.

STATE INNOVATIONS IN HEALTH CARE

Innovation at the State level can address some of the problems of rising medical expenditures and access to quality health care. The Administration recognizes the value of State experimentation and strongly encourages State and local innovations in health care.

The National Governors' Association, at its 1991 Annual Conference, stated:

"The Governors believe a way to achieve national consensus is to develop comprehensive, statewide health care reforms... that maximize preventive public health programs and experiment with medical care payment programs to reduce overall medical costs."

The rapid growth in health spending is a significant fiscal threat to the States as well as to the Federal government. In 1970, Medicaid spending accounted for four percent of all State spending; by 1991, Medicaid consumed 14 percent of State spending. Health expenditures, including Medicaid, went from 18 percent of State spending in 1990 to 23 percent in 1991. As a result, States, by necessity, have become innovators, developing different approaches to controlling costs and expanding access.

Various State-level initiatives provide valuable insight to strategies that could be effective on a national level. Described below are several examples of the kinds of innovations States are testing.

CONTAINING THE COSTS OF HEALTH CARE

The escalating cost of health care is of critical concern to States. The magazine *Governing* reports that economists estimate that health care inflation accounts for 60 percent

of recent Medicaid cost increases. To counter this trend, States are testing a variety of approaches to reform their health care systems that have potential for broader application.

Selective Contracting and Cost Containment: California's Prudent Purchaser Agreement.—In 1982, California reformed its Medicaid program by implementing selective contracting as a means of introducing market forces to bring down program costs. In exchange for providing discounts to the State, hospitals receive a greater share of Medicaid business. Only those hospitals with such agreements are permitted to provide elective, non-emergency treatment to Medicaid recipients.

A 1986 evaluation funded by the Health Care Financing Administration (HCFA) concluded that this program reduced daily hospital inpatient costs by 16 percent. HCFA now estimates that the program saves California \$299 million annually. In turn, California reports that the cost of administering the selective contracting program is only \$1-2 million per year and that the program was in place within one year from the time the legislation was passed.

Using Public Resources to Cover Those in Need: Oregon's Priority Care Program.—Oregon lawmakers began wrestling with health care reform on a bipartisan basis in 1987. The reform proposal that has emerged is perhaps the most dramatic and controversial plan currently being considered among the States. Oregon has established a prioritized list of medical services that eventually will be offered to nearly all residents below the poverty level—significantly broadening its current

Medicaid population. The list of services offered is prioritized to ensure access to more people within existing resources.

Under its proposed plan, Oregon would limit the number and type of services covered by Medicaid and reallocate the savings to expand eligibility. Almost all persons below the Federal poverty level will be eligible for the new program, as will pregnant women and young children with family incomes up to 133 percent of the poverty level.

The Oregon plan is controversial and awaits a decision on a Medicaid waiver by the Health Care Financing Administration. Regardless of the plan's substantive merits, the State's efforts to develop creative reforms on a bipartisan basis are noteworthy.

COORDINATED CARE AND STATE MEDICAID PROGRAMS

Coordinated care programs pay a fixed sum to a group of hospitals and doctors for the care provided to a program's customers. Each patient has his/her own physician. Coordinated care improves health care quality through better supervision of care and communication among caregivers. It also improves the efficiency of health care service delivery by introducing market forces. Not surprisingly, an increasing number of States are turning to coordinated care programs for their Medicaid programs, to control costs while at the same time covering essential services and assuring quality care.

Although only ten percent of the nationwide Medicaid population is currently enrolled in coordinated care, roughly 30 States have at least experimented with coordinated care elements in their Medicaid programs in the last few years.

Coordinated care is becoming an increasingly popular service delivery option for Medicaid programs. According to the most recent statistics, 2.3 million Medicaid beneficiaries nationwide receive care through coordinated care arrangements.

State-Wide Coordinated Care for Medicaid Recipients in Arizona.—Arizona's Health Care Cost Containment System (AHCCS) has been operating since 1982, when

Arizona first opted to participate in the Medicaid program. Arizona was the last State to join the Medicaid program—and as a result may be the most progressive. Rather than running a Medicaid program similar to other States, Arizona has run the program since its inception as a coordinated care operation.

All care received by Medicaid-eligible recipients is through coordinated care arrangements, with no fee-for-service option. The State uses six different cost containment features:

- Primary care "first step" physicians who refer patients to specialized care, as appropriate;
- Prepaid capitated contract providers;
- Competitive bidding for contract providers;
- Use of nominal copayments;
- Limited restrictions on plan providers; and
- Capitated Federal payments for Medicaid on a per patient basis.

The Arizona program has resulted in an estimated annual savings of 5.1 percent over other comparable States' costs. Further, the cost of medical service in the State grew by only nine percent between 1987 and 1989—as opposed to an average 17 percent in other States with similar demographic profiles. Through competitive contracting, Arizona has introduced market forces and management efficiencies into the program, yet has maintained access to high quality services.

New York's Phased-In Coordinated Care Initiative.—In 1991, New York State mandated that its Medicaid program undertake a five-year program that requires all of the State's 58 local social service districts to begin enrolling Medicaid recipients in coordinated care programs. By 2000, nearly one million recipients could be enrolled in coordinated care programs. By exempting coordinated care from restrictions on physician and clinic visits, New York is trying to encourage hospitals to provide services to Medicaid recipients. All fourteen hospitals in Buffalo have responded by asking to join the physician case management program.

Indiana's Health Insurance Organization.—In Indiana, roughly 40 percent of the

1.3 million Medicaid beneficiaries are covered under coordinated care plans through Health Insuring Organizations (HIOs). Since 1986, Blue Cross and Blue Shield of Indiana has provided comprehensive health services to that State's Medicaid recipients. The HIO shares in all actual savings or losses, relative to projected costs. The clear cost containment incentives inherent in such a plan have led several other States to develop HIO arrangements.

INCREASED ACCESS TO HEALTH INSURANCE

Three-quarters of uninsured Americans are workers or their dependents, and two-thirds of uninsured workers are employed by small businesses. For much of this population, insurers are reluctant to provide small businesses with health insurance for two reasons: the high cost of marketing and administering such policies and the very small risk pools that small businesses represent. To overcome these barriers, States are attempting to make such policies more attractive to insurers and more affordable to small businesses. States are also making efforts to extend health insurance to the unemployed. Eligibility for such programs is based on income

Minnesota's Children's Health Plan.—Facing a rising number of uninsured children, Minnesota enacted the Children's Health Plan (CHP) in 1988 in an effort to provide health insurance to children in poor and near-poor families. Targeting families ineligible for Medicaid, and with incomes below 185 percent of the poverty level, the Plan had enrolled over 21,000 children as of October 1991.

Initially funded through a penny-per-pack cigarette tax, the Plan now receives an annual \$10 million appropriation and charges a \$25 enrollment fee for each child. Local service agencies aid families in meeting the fee if the families cannot afford it. Results have been encouraging: CHP clients have demonstrated a moderate increase in well-child care utilization between 1989 and 1990.

Washington State's Basic Health Plan.—In 1987, Washington State enacted the Basic Health Plan as a five-year demonstration project. A legislative "sunset review" for the Plan is scheduled for July 1992, but it is ex-

pected to be reauthorized. The program has proven to be popular. Nearly as many residents are on a waiting list as are enrolled in the program.

The State contracts with coordinated care plans to provide basic services to residents under 65 with incomes below 200 percent of the poverty level. Medicaid eligibles, who have already applied for Medicaid, are also eligible to apply for the Plan. Participants pay a monthly premium based on their incomes. The State funds the remainder. To restrain the growth in costs, non-essential services (e.g., vision care, dental care, and mental health and substance abuse treatment) are not covered. Enrollment has been limited—to 22,000 in 1991—but is expected to expand under reauthorization.

The Robert Wood Johnson Foundation's Project to Aid Small Businesses in Acquiring Health Insurance.—Private sector initiatives have also proven effective. The Robert Wood Johnson Project is demonstrating that insuring small businesses is a viable option for insurance companies, if the risk can be spread and if initial administrative costs can be controlled. Insurance companies shy away from providing small businesses with health insurance, for fear of adverse selection as well as the high marketing and administrative costs required for such customers. The Robert Wood Johnson Foundation (RWJ) funds demonstration projects that subsidize the insurer's marketing costs and assist insurers in dealing with administrative burdens, allowing these companies to get a foothold in the small business market and to spread their risk pools effectively.

By providing start-up funds to insurance companies, the Foundation helps insurers overcome their initial reluctance about entering an untested market and demonstrate that the market is viable. The success of the demonstration projects shows the potential for private firms to gain entry and fill the gap in an underserved market.

RWJ found that 75 percent of the working uninsured are employed by firms with fewer than 10 employees. At a cost of \$8.2 million, the ten demonstration projects helped to insure 2,062 small firms and 20,616 workers and dependents. Private foundations alone

cannot be expected to solve the problem of the working uninsured. The RWJ Project, however, demonstrates the effectiveness of encouraging small businesses and insurers to join forces to broaden risk pools and reduce administrative costs.

No-frills Coverage and Expanded Access.—No-frills or "essential services" health insurance provides a basic health insurance package to consumers, free of State-mandated features that price many potential customers (e.g., small businesses) out of the health insurance market. States have sought to increase access to health insurance by exempting certain insurance policies from costly mandates, such as substance abuse treatment and chiropractic services. This lowers the price to an affordable level for many potential purchasers.

In 1990, the West Virginia legislature passed a law allowing the State Insurance Commissioner to develop a basic-benefits insurance plan for all residents. The Commissioner, in turn, has solicited the input of small businesses from around the State on the scope of the package's coverage.

In September 1990, Rhode Island implemented a 30-month demonstration project to aid small businesses in purchasing health insurance for their employees. Under the program, businesses with fewer than 25 em-

ployees, that had not offered health insurance in the two previous years, will be allowed to offer an "essential services" health insurance package that makes available the most necessary services, but excludes costly State mandates that small businesses claim price them out of the market.

Underwriting reforms in the States have focused on several common features. First, these reforms guarantee renewability of coverage, protecting groups and individuals within groups from having renewed insurance denied due to deteriorating health of the group or one of its members. Second, the reforms have restricted variation among premiums charged by a single carrier to various groups and individuals, and have limited the rates of annual increase that a carrier can impose on premiums.

Summary.—Ensuring the availability of health insurance coverage, promoting high quality care, and living on a limited budget are serious challenges to the States. As illustrated, many States have addressed these problems in imaginative ways. The Administration will continue to encourage States to test new and creative ideas and provide incentives to experiment with new initiatives, by allowing States flexibility that is not available under current law.

OTHER EXAMPLES OF STATE AND LOCAL INNOVATION

CRIME AND CORRECTIONS

Reducing Crowding in Prisons

Georgia has dealt with the problem of overcrowded prisons, including Federal court orders requiring less crowding, with an innovative system of sentencing options for misdemeanors and felonies. Public and judicial opinion in the State continues to favor full punishment for crime, and prison sentences remain the norm for violent criminals. But for other sentenced criminals, a continuum of punishments is now available. These include basic probation, supervised community service, intensive probation supervision, "diversion" centers, and short-term so-called "shock incarceration." Georgia has saved an estimated

\$150 million in five years as a result of this system.

Using Civil Penalties Against Criminals

A number of States are seeking to increase prosecutions of drug dealers by imposing taxes of various kinds and then prosecuting dealers for failure to pay the taxes. While the program is somewhat controversial, it is being used in one form or another by more than half the States. Some require a drug-stamp; others have enacted special excise taxes on the sale of illegal narcotics; another group imposes sales taxes on drug sales. In all cases, dealers who do not pay are subject to prosecution, with civil judgments often easier to obtain than criminal convictions.

ENVIRONMENT

Variable Pricing for Garbage Collection

The city of Seattle has reduced the flow of solid waste through the imposition of variable pricing for garbage collection; the charge rises as the volume of garbage increases. Recycled materials incur no charge. Specifically, the city charges \$13.75 a month to pick up 32-gallon trash containers, but the charge rises to \$22.75 a month for 60-gallon containers. Households can reduce their charge, for example, by crushing boxes, cans and bottles to fit them in the smaller container, reducing the volume of material deposited in the City's landfills.

Purification of Septage Waste

A Massachusetts State agency, the Massachusetts Center of Excellence, has sponsored a demonstration in the town of Harwich on Cape Cod using a new technology, solar aquatics, to purify septage waste. Septage waste is the sludge-like material removed periodically from septic tanks. Early results are reported to be promising; high quality effluent is being produced at less than the cost of conventional treatment.

Negotiating New Landfills

A major problem for many States, particularly those with a relatively high population density, is obtaining community consent for the location of new landfills for solid waste, as old ones fill up. Wisconsin has developed an unusual system of mandatory local municipal and county government negotiating committees to deal with cases where landowners seek to create landfills. Failure to reach agreement leads potentially to outside arbitration by a State agency. Although the ultimate powers of local officials are reduced by this arrangement, so is their vulnerability to local voter hostility to new landfills. In nearly all cases, the negotiating committees have reached agreement on landfills without State intervention.

EDUCATION

Educational experiments are blossoming in virtually all of the States. The following are a few of many examples of innovation.

Providing Choices Among Schools

Milwaukee's Parental Choice Program for low-income children began operation in September 1990. This program permits up to 1,000 low-income families to send their children to private schools at State expense (\$7,500 per student maximum). The program received high marks from families, but is being challenged in the courts on constitutional grounds. A recent random survey of 449 Milwaukeans found that 75 percent supported the program and over half believed that the program should be expanded to include private sectarian schools.

Minnesota provides an array of school choice programs. The postsecondary option program allows 11th and 12th graders in public schools to attend colleges, universities, and vocational schools. The high school graduation incentives and area learning centers' programs permit students between the ages of 12 and 21, who are not succeeding in school, to transfer to public schools in other districts. Under the open enrollment program, elementary and secondary students can transfer to public schools in other districts. Participants in all these programs express a high degree of satisfaction. To compete with the postsecondary option program, the first of these programs to be instituted, more high schools now offer advanced placement classes.

In Pennsylvania, the State Senate passed a landmark school choice proposal which would provide Pennsylvania families with a scholarship worth up to \$900 if they were to select a private school or a public school located outside their assigned district. The measure is expected to be considered again this year. Grants through the Choice Grants for America's Children Act, as proposed by the President, would provide matching funds to Pennsylvania and other States, substantially increasing the likelihood that States could afford to undertake such important steps to reform education.

Indiana made progress toward school choice through the help of a business-backed coalition, COMMIT. The bill developed by the coalition would convert most State and local aid to scholarships for every school-age child. Families could choose among public and private (including sectarian) schools within the

school district. The plan would be linked to new academic standards, school readiness strategies, and proposals for self-regulated schools.

In December, a California citizen's coalition called "EXCEL" received approval from the State Attorney General to gather signatures in favor of a 1992 ballot initiative to provide vouchers to all families in California. Families could choose public, private, or sectarian schools in any district.

"America 2000"—States as Laboratories

By the end of 1991, "STATE 2000" organizations had been launched in 30 States, one territory, and the District of Columbia. The education reform initiatives these States are undertaking vary, yet each has adopted the four common elements that make them an "America 2000" State. Specifically, these States have: (1) adopted the six national goals; (2) established a State-wide strategy for achieving the goals; (3) developed a report card for measuring the community's progress; and (4) demonstrated the State's readiness to create and support New American Schools.

Accountability and Assessment.—Since 1989, California has required an annual School Accountability Report Card for each school in the State, reporting on at least 13 different indicators of school operation and performance. The system will require performance-based tests scored by teachers rather than computers. The tests will be administered throughout the school year and will be closely tied to the State Board-adopted curriculum frameworks and standards.

School Performance Assessment Program.—The State of Maryland has developed the School for Success Program. Central to this program is a new performance system, the Maryland School Performance Assessment Program, which is designed to hold schools accountable for outcome results. The State-wide program is an authentic performance-based assessment in reading, writing, language usage, and mathematics in grades 3, 5, 8, and 11; it is part of a comprehensive outcome-based reform package. The objective of the assessment is to measure high quality education, not minimum competency, with State standards of

excellence and satisfactory performance for each test to be reported in 1992.

School to Work Transition.—The Oregon legislature passed a major education reform bill in July 1991 that mandates a variety of changes in Oregon schools. One part of the initiative requires completion of a vigorous academic program in order to receive a certificate of advanced mastery in a field. The fields will include a variety of courses preparing students for college, technical degree programs, and employment after high school. The program chosen by the students within the field will include at least basic academic preparation to permit college entry, apprenticeships or internships, and experimental learning. The certificate of advanced mastery may take between two and five years and may include work at a community or technical college. When a student has graduated with a certificate, he or she will be prepared for entry into an occupational field.

School Performance.—Through the Pennsylvania School Performance Incentive Program, cash grants are awarded to schools that demonstrate significant improvement in math and reading achievement, dropout reduction, and college preparation. Decisions regarding grant-supported expenditures for educational improvement are made by teachers. Other State-supported efforts for teachers include Regional Lead Teacher Centers, which promote staff decisionmaking and collaboration.

Flexibility Waiver Authority.—Increased flexibility through waivers is a major component of Target 2000, enacted in 1989 to promote school reform in South Carolina's schools. The mandated reform offers schools, which have met required standards, waivers from regulations and statutory provisions governing the States' Defined Minimum Program, Basic Skills Assessment Program, and Remedial Compensatory Program. Schools that are eligible for waivers include those that have: (1) received school incentive awards twice since 1987, (2) met annual achievement standards for compensatory programs in reading and math, (3) exhibited no accreditation deficiencies, and (4) shown a school gain index value that is at or above the State average.

MENTAL HEALTH

Providing Housing Choices for the Mentally Ill

Toledo, Ohio has had some success in finding housing for mentally ill persons by giving them a voice in choosing individualized support services, rather than being "placed" in facilities reserved for the mentally ill. The program has found housing for more than 500 people, about one-fifth of those with mental illnesses in the area, and most of those placed have lived in their new homes for more than a year.

Helping the Mentally Ill

The Colorado Consumer Case Management Aide program involves having mentally ill people provide services to other patients in the mental health system. Although a limited experiment involving about 100 persons during the five years of its existence, the program is breaking new ground. The trainees receive basic instruction in reading and writing so that they can maintain client records and learn counseling and communications skills. Successful participants earn college credits, and graduates receive certificates from a community college.

TRANSPORTATION

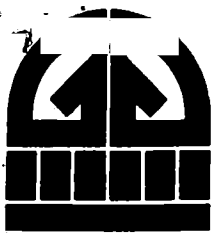
Improving Parking Enforcement

Chicago has begun to use advanced technology to solve the nearly universal urban problem of enforcing street parking restrictions. The system was so poor that a backlog

of 17 million unpaid tickets accumulated in the period 1980-1990. This backlog had a face value of \$420 million in fines. In addition, rampant illegal parking resulted in clogged traffic on local streets. The Chicago system provides a simpler means for motorists to contest their tickets by mail or in person and repeals the previous requirement that a complaint could be dismissed unless a police officer appeared at the hearing. The new system produced a 44 percent increase in parking meter revenues in the first six months, and increased the number of parking tickets paid in the year of issuance from 10 percent to 40 percent.

Improving Traffic Management

Anaheim, California has developed an innovative traffic management system aimed at reducing the congestion that occurs from sudden increases in traffic volume. The Traffic Management Center in Anaheim receives information from a variety of sources (e.g., the Anaheim Convention Center, the Police Department, and the State-operated Freeway Surveillance System), and uses the data to adjust traffic signal timing at 180 traffic lights. The Traffic Management Center also uses the data to make radio announcements and to flash information on overhead message signs. The result is less congestion, faster travel, less fuel consumption and reduced auto emissions.



NEWS RELEASE

NATIONAL CONFERENCE OF STATE LEGISLATURES

STATEMENT OF NCSL PRESIDENT PAUL BUD BURKE IN RESPONSE TO THE STATE OF THE UNION MESSAGE AND FY 93 BUDGET

THE NATION'S STATE LEGISLATORS SUPPORT PRESIDENT BUSH'S COMMITMENT TO REVIVE OUR NATION'S ECONOMY AND MEET THE NEEDS OF ALL CITIZENS. ALL LEVELS OF GOVERNMENT - FEDERAL, STATE AND LOCAL - MUST WORK TOGETHER TO ACHIEVE THOSE GOALS.

EFFORTS TO STRENGTHEN THE ECONOMY ARE VERY MUCH ON THE MINDS OF STATE LEGISLATORS AS THEY FACE DIFFICULT BUDGET SESSIONS IN 1992. WE AGREE THAT BOLD STEPS ARE NEEDED TO STIMULATE THE ECONOMY, BUT CAUTION THAT THE ADMINISTRATION AND CONGRESS MUST LOOK AT THE FISCAL IMPACT ON THE STATES OF ALL ECONOMIC PROPOSALS.

ECONOMIC RECOVERY IS NOT POSSIBLE THROUGH PROPOSALS THAT PLACE ADDITIONAL COSTS ON STATES OR ROB STATE COFFERS. STATES MUST BALANCE THEIR BUDGETS AND SPENDING CUTS ARE MORE NECESSARY DURING DIFFICULT TIMES, THEREBY LIMITING ECONOMIC GROWTH. STATES AND THE FEDERAL GOVERNMENT MUST COOPERATE TO PRODUCE A NATIONWIDE ECONOMIC RECOVERY. NCSL IS WORKING WITH THE NATIONAL GOVERNORS' ASSOCIATION TO IDENTIFY STATE-FEDERAL PROGRAMS THAT COULD BE CONSIDERED IN SHORT AND LONG TERM ECONOMIC POLICY RESPONSES.



William T. Pound/Executive Director

Susan L. Seladones
Director of Public Affairs
444 North Capitol Street, N.W.
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STATE LEGISLATORS ARE VERY PLEASED WITH THE PRESIDENT'S CALL TO END UNFUNDED MANDATES TO STATES AND HIS RECOGNITION THAT MANDATES ONLY INCREASE SOMEONE ELSE'S BURDEN. NCSL HAS LONG AGREED THAT CONGRESS SHOULD PAY FOR ANY MANDATE IT PASSES.

STATE LEGISLATORS WERE VERY ENCOURAGED BY THE PRESIDENT'S PROMISE TO STREAMLINE THE PROCESS FOR WAIVING FEDERAL REGULATIONS RELATED TO WELFARE REFORM. STATES ARE DEVELOPING CREATIVE PROGRAMS IN THIS AREA BUT WE HAVE FOUND THAT THE RED TAPE ATTACHED TO THE WAIVER PROCESS HAS HAMPERED SOME INNOVATIVE ACTIONS. WE WELCOME THE PRESIDENT'S ACTION.

STATE LEGISLATORS AGREE WITH THE PRESIDENT THAT HEALTH CARE REFORM, ESPECIALLY CONTROL OF COSTS, IS ESSENTIAL TO AMERICA'S ABILITY TO COMPETE IN THE WORLD ECONOMY. WHILE WE AWAIT FURTHER DETAILS OF THE PRESIDENT'S PLAN, WE ARE VERY CONCERNED WITH REPORTS THAT IT INCLUDES CAPS ON MEDICAID PAYMENTS TO STATES. SKYROCKETING MEDICAID COSTS ALREADY ARE CAUSING HAVOC IN STATE BUDGETS, AND LAST YEAR'S MEDICAID REGULATIONS HAVE PLACED A MUCH GREATER BURDEN ON STATES. WE APPLAUD THE PRESIDENT'S WILLINGNESS TO PROVIDE LEADERSHIP IN THIS AREA.

WE ARE PLEASED THAT THE PRESIDENT'S BUDGET PROVIDES AN INCREASED COMMITMENT TO THE WOMEN, INFANT AND CHILDREN (WIC) PROGRAM AND TO THE EFFORT TO ENSURE NECESSARY IMMUNIZATIONS FOR ALL CHILDREN. THE HEALTH OF OUR NATION'S CHILDREN IS ESSENTIAL TO OUR FUTURE AND EARLY INTERVENTION AND PREVENTION IS CRITICAL TO CONTROLLING ESCALATING HEALTH CARE COSTS.

WHILE WE RESERVE SPECIFIC JUDGEMENT ON THE PRESIDENT'S MORATORIUM ON REGULATIONS THAT AFFECT BUSINESS, WE WOULD ENCOURAGE REGULATORY REFORM THAT COULD STIMULATE THE ECONOMY. HOWEVER, WE URGE THE PRESIDENT TO EXAMINE FEDERAL REGULATIONS THAT IMPACT STATE AND LOCAL GOVERNMENTS, AS THESE REGULATIONS HAVE OFTEN BEEN BOTH UNMANAGEABLE AND COSTLY. FOR EXAMPLE, LAST YEAR'S REGULATIONS ON STATE USE OF THE MEDICAID PROVIDER TAX AND LIMITATIONS ON STATE AUTHORITY TO ESTABLISH AND ENFORCE STANDARDS FOR HEALTH AND SAFETY IN CHILD CARE WERE ESPECIALLY BURDENSOME.

ONCE AGAIN WE EXPRESS OUR CAUTIOUS OPTIMISM ABOUT THE PRESIDENT'S BLOCK GRANT PROPOSAL THAT IS MENTIONED IN THE BUDGET. WE QUICKLY SUPPORTED THE CONCEPT WHEN IT WAS OFFERED LAST YEAR AND HOPED IT WOULD LEAD AT LEAST TO A NEW SENSITIVITY IN WASHINGTON TOWARD STATE CONCERNS. WE WERE VERY DISAPPOINTED WHEN NOT ONLY DID THE PROPOSAL NEVER APPEAR IN LEGISLATIVE FORM, BUT STATES INSTEAD SAW AN AVALANCHE OF MANDATES IN LEGISLATION AND REGULATIONS FROM WASHINGTON D.C. STATE LEGISLATORS URGE THE ADMINISTRATION AND THE CONGRESS TO TRULY RECOMMIT TO THE CONCEPT OF FEDERALISM BY SERIOUSLY DEBATING THE BLOCK GRANT PROPOSAL AND RESISTING THE URGE TO SHIFT PROBLEMS TO THE STATES THROUGH MANDATES.

STATE LEGISLATORS STAND COMMITTED TO WORKING WITH THE ADMINISTRATION AND CONGRESS ON ECONOMIC AND OTHER DOMESTIC POLICY ISSUES OVER THE COMING MONTHS.

January 29, 1992

NCSL represents the legislators and staffs of the nation's 50 states,

its commonwealths and territories.

Paul Bud Burke is President of NCSL and serves as President of the Kansas State Senate. For additional information or copies of NCSL's 4-page budget analysis, contact Susan Seladones in NCSL's Public Affairs Office at 202-624-5400.



NEWS

Illinois House of Representatives

DANIELS RESPONDS TO PRESIDENT
BUSH'S STATE OF THE UNION ADDRESS

Contact: David Loveday
312/814-2033
January 29, 1992
FOR IMMEDIATE RELEASE

Following is a statement on the State of the Union Address by House Republican Leader Lee Daniels.

"President Bush has introduced a responsible and realistic plan to create and save jobs in Illinois and the nation. It's a comprehensive vision and a positive way to stimulate the economy without raising taxes, increasing the national deficit or causing inflation.

"The American people expect their elected leaders to put partisanship aside for the good of the nation. I hope the Democratic majority in the Congress will not play politics and approve the President's plan by March 20.

"It can be done. The General Assembly recently acted in a bipartisan fashion to make tough decisions required to reach an agreement over the state budget crisis. It is conceivable that Congress and the President can work together to put an end to the recession.

"Key to the President's plan are numerous proposals aimed at putting more money into the pockets of Americans and I think the President is on the right track by proposing an end to state mandates that don't have the appropriate funding attached to them."

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THE WHITE HOUSE

WASHINGTON

February 16, 1990

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Federalism Executive Order

I wish to take this opportunity to reaffirm an important Executive order, issued when I served as Vice President, and call for your personal commitment in ensuring your department's or agency's compliance with its provisions. This order, which is entitled "Federalism" (No. 12612, October 26, 1987), establishes fundamental principles and criteria to guide you in developing and implementing policies that have substantial direct effects on States and local governments. Let me note a few of the order's more important provisions:

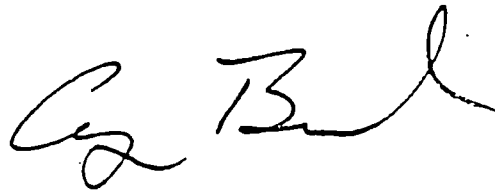
- o In most areas of governmental concern, the States uniquely possess the constitutional authority, the resources, and the competence to discern the sentiments of the people and to govern accordingly.
- o The nature of our constitutional system encourages a healthy diversity in the public policies adopted by the people of the several States according to their own conditions, needs, and desires. In the search for enlightened public policy, individual States and communities are free to experiment with a variety of approaches to public issues.
- (c Federal action limiting the policymaking discretion of the States should be taken only where constitutional authority is clear and certain and the national activity is necessitated by a problem of national scope.
- (o With respect to national policies administered by the States, the national Government should grant the States the maximum administrative discretion possible.

When undertaking to formulate and implement policies that have Federalism implications, Federal executive departments and agencies should (1) encourage States ^{and local go.} to develop their own policies to achieve program objectives and to work with appropriate officials in other States; (2) refrain, to the maximum extent possible, from establishing uniform national standards for programs and, when possible, defer to the States ^{and local go.} to establish standards; and (3) when national standards are required, consult with appropriate officials and organizations representing the States in developing those standards. ^{and local go.}

The Executive order has special requirements dealing with preemption and with legislative proposals. It also requires that, when a proposed policy has sufficient Federalism implications, the agency must prepare a Federalism Assessment. This assessment is intended to provide the agency and the Administration with an evaluation of the extent to which the policy imposes additional costs or burdens on States and local governments. You are to consider the Federalism Assessment before adopting and implementing the policy.

The order also requires that you designate an official to be responsible for ensuring your agency's implementation of the order. Please ensure that your agency has provided the name of the designated official to the Director of the Office of Management and Budget.

I want to stress that the principles of this order are central to my Administration. I ask that each of you personally review the provisions of Executive Order No. 12612 and assure that the mechanisms necessary to ensure their implementation are in place.



**Remarks Prior to Discussions With
Foreign Minister Hans-Dietrich
Genscher of Germany**

March 1, 1991

As I mentioned earlier to the first wave, we are very grateful to Germany for its support for the operations in recently concluded Desert Storm. We've got to work together now, and we will, to help enhance the peace. And so, I think we're all in a better position to do that. And I just want you to know, and please convey to Chancellor Kohl that we're—as I'm sure Jim has told you—determined to play our part in all of this. So, it's a big problem, but anyway, one we've got to tackle.

Thank you all. It's been a great pleasure.

Note: The President spoke at 10:35 a.m. in the Oval Office at the White House. In his remarks, he referred to Chancellor Helmut Kohl of Germany and Secretary of State James A. Baker III.

**Remarks at a Meeting of the American
Legislative Exchange Council**

March 1, 1991

Thank you so much for that warm welcome and welcome back to the White House. I just had a chat with Ellen Sauerbrey outside; and delighted to see her and all of you; Sam Brunelli, the Executive Director. And, of course, I'm delighted to be side-by-side today, as I have been for the last couple of years and especially the last few months, with our very able Secretary of Defense.

I know Dick feels, as I do, that when you get a nice reception like that, people are really expressing their gratitude to the fighting men and women of the United States halfway around the world. What a job they've done, and nobody, no individual deserves more credit for all of that than the man sitting over here behind me, our able Secretary of Defense. I will always be indebted to him and so will our country.

I understand that you've heard from Mary McClure and Deb over here—Deb Anderson, and Richard Haass will be speak-

ing to you in a minute. He has had a key role—is a key member of our National Security Council—every step of the way in what's happened over in the Gulf. So, you're going to be hearing from one upon whom I have relied heavily, upon whom General Scowcroft relies heavily. So you'll get the facts from him, and I'm sandwiched in between these two experts. [Laughter] But when I mention Deb and Mary, of course, I'm talking about two of your own—two State legislators, and both proof, if ever there was, of Finley Dunne's rule "Every now and then an innocent person gets sent to the State legislature." [Laughter]

So, I hope that you found these visits with our other—Dick Thornburgh and I don't know whether John Sununu has been over yet or not. I guess he has. And Jack Kemp is coming on. So we want you to hear in detail about our program—our legislative program, as well as what's transpired in the Gulf.

Like so many other fine members of our team, most of those you'll hear from have something in common with each of the talented people out here in the audience. Most of them know what it meant when—Sam Rayburn put it this way when he said he knows what it is to run for sheriff. And one of his criticisms of a lot of people around Washington was that they never ran for sheriff. Well, you know what it's like, and I know what it's like. And so I hope that you recognize that we have able people who have been elected; many able who have not. But we put great emphasis on the elective political process.

The presence of the veterans that we have of State politics—veterans of State politics is important because they kind of remind us all the time of the philosophical underpinnings of our administration. And I want to just renew in a very few minutes here my own commitment not only to federalism but also to the principle that the States are what we call the laboratories of democracy—forging ahead at the cutting edge of the world's greatest experiment in freedom and diversity.

It is, of course, an ongoing experiment, a continuing experiment. From parental choice in child care and education to tenant ownership in housing, from enterprise

zones to create jobs to what we call these drug-free zones to take back the streets, state and local governments are finding the new approaches to solving these problems—and looking not just at America's problems but also at our possibilities.

Just a little over a month ago, I went up to the Congress and reported on the state of the Union. And I called it then a "defining hour" for our nation, and I spoke of the promise of a renewed America. And I issued a call not merely for new government initiatives but for new initiative in government. And as has been true throughout our history, the wellspring of these new initiatives is likely to be the 50 dynamic State laboratories that are represented by all of you here today.

I've often said that the State legislatures are some of our most practical and resourceful leaders. Close to America's roots, close to the people—I think that's what does it—close to the concerns of the communities.

And that's why in that State of the Union Address I included a bold new proposal to select at least \$15 billion in Federal programs and then turn them over to the states in one single consolidated grant, fully funded, for hands-on management by the States.

And I want to thank Ellen and Sam, who sent me a letter just 2 days later telling us of your strong endorsement, your enthusiastic support for this proposal. Over the past months, we've worked with you and with the Governors and others in State and local government to select the programs that go into this turnover. We are committed to funding these programs, Sam, funding them for the next 5 years. And we are committed to moving power and decision-making closer to the people. Because at the bottom line, our idea of federalism comes down to four simple words: more flexibility and fewer mandates.

I think John was to speak to you about this earlier, but I did want to come by and thank you for your support and for all you're doing to make this initiative a success. We're getting some flak from predictable places on it, but I think on balance it's been received very, very well. And I can guarantee you we're going to fight for it.

I want to conclude by thanking this group particularly, but so many people across this country for the tremendous support for our men and women serving overseas. And I want to particularly single out those that are actually serving in the Gulf or in support of Desert Storm, to click off just a few ALEC members like Louisiana's Hunt Downer—was on active duty, supposed to be here—right here—Hunt, glad to see you. We're delighted you're here. Nevada's Jim Gibbons; and Mike Coffman from Colorado; Connecticut's Chris Burnham, a Marine captain who took his third oath of office while stationed in Saudi Arabia.

So, we've got "citizen legislators" today doing double duty as "citizen soldiers." And ladies and gentlemen, these are America at its very, very best.

So, thank you. I know you share this wonderful feeling that I have of joy in my heart. But it is overwhelmed by the gratitude I feel—not just to the troops overseas but to those who have assisted the United States of America, like our Secretary of Defense, like our Chairman of our Joint Chiefs, and so many other unsung heroes who have made all this possible. It's a proud day for America. And, by God, we've kicked the Vietnam syndrome once and for all.

Thank you very, very much.

Note: The President spoke at 11:08 a.m. in Room 450 at the Old Executive Office Building. In his remarks, he referred to Ellen Sauerbrey, national chairperson of the American Legislative Exchange Council; Secretary of Defense Dick Cheney; Mary A. McClure, Special Assistant to the President for Intergovernmental Affairs; Debra Anderson, Deputy Assistant to the President and Director of the Office of Intergovernmental Affairs; Richard N. Haass, Special Assistant to the President for National Security Affairs; Brent Scowcroft, Assistant to the President for National Security Affairs; Attorney General Dick Thornburgh; John H. Sununu, Chief of Staff to the President; Secretary of Housing and Urban Development Jack Kemp; and State legislators Hunt Downer, Jim Gibbons, Mike Coffman, and Chris Burnham.

In addition to these proposals, we must recognize that our economic strength depends on being competitive in world markets. We must continue to expand American exports. A successful Uruguay Round of world trade negotiations will create more real jobs and more real growth for all nations. You and I know that if the playing field is level, America's workers and farmers can out-work, out-produce anyone, any-time, anywhere.

And with a Mexican free trade agreement and our Enterprise for the Americas Initiative, we can help our partners strengthen their economies and move toward a free trade zone throughout this entire hemisphere.

The budget also includes a plan of action right here at home to put more power and opportunity in the hands of the individual. And that means new incentives to create jobs in our inner cities by encouraging investment through enterprise zones. It also means tenant control and ownership of public housing. Freedom and the power to choose should not be the privilege of wealth. They are the birthright of every American.

Civil rights are also crucial to protecting equal opportunity. Every one of us has a responsibility to speak out against racism, bigotry, and hate. We will continue our vigorous enforcement of existing statutes, and I will once again press the Congress to strengthen the laws against employment discrimination without resorting to the use of unfair preferences.

We're determined to protect another fundamental civil right: freedom from crime and the fear that stalks our cities. The Attorney General will soon convene a crime summit of our nation's law enforcement officials. And to help us support them, we need tough crime control legislation, and we need it now.

And as we fight crime, we will fully implement our national strategy for combating drug abuse. Recent data show that we are making progress, but much remains to be done. We will not rest until the day of the dealer is over, forever.

Good health care is every American's right and every American's responsibility. And so, we are proposing an aggressive program of new prevention initiatives—for in-

fants, for children, for adults, and for the elderly—to promote a healthier America and to help keep costs from spiraling.

It's time to give people more choice in government by reviving the ideal of the citizen politician who comes not to stay but to serve. And one of the reasons that there is so much support across this country for term limitations is that the American people are increasingly concerned about big-money influence in politics. So, we must look beyond the next election to the next generation. And the time has come to put the national interest above the special interest and to totally eliminate political action committees. And that would truly put more competition in elections and more power in the hands of individuals.

And where power cannot be put directly in the hands of the individual, it should be moved closer to the people, away from Washington. The Federal Government too often treats government programs as if they are of Washington, by Washington, and for Washington. Once established, Federal programs seem to become immortal. It's time for a more dynamic program life cycle. Some programs should increase. Some should decrease. Some should be terminated. And some should be consolidated and turned over to the States.

My budget includes a list of programs for potential turnover totaling more than \$20 billion. Working with Congress and the Governors, I propose we select at least \$15 billion in such programs and turn them over to the States in a single consolidated grant, fully funded, for flexible management by the States.

The value, the value of this turnover approach is straightforward. It allows the Federal Government to reduce overhead. It allows States to manage more flexibly and more efficiently. It moves power and decisionmaking closer to the people. And it reinforces a theme of this administration: appreciation and encouragement of the innovative powers of "States as Laboratories."

This nation was founded by leaders who understood that power belongs in the hands of people. And they planned for the future. And so must we, here and all around the world.