



# STATE LEAGUE LEGISLATIVE UPDATE



Center for Policy and Federal Relations

March 22, 1996

The Commission may also grant waivers to implement local regulations over all satellite dishes upon a showing by the local government that the "local concerns are of a highly specialized or unusual nature." An example could be the need to protect the aesthetics of a historic district.

In another blow to local governments, the new rule could force localities to come before the FCC for resolution of their zoning disputes, rather than first permitting them to exhaust all judicial appeals. This creates an uneven playing field for municipal attorneys who are much less familiar with arguing their cases before the FCC than industry. This problem is compounded by the fact that the arguments could be made before a Commission that has already demonstrated itself to be sympathetic to local preemption, rather than before a neutral judicial body.

## ACTION

*Petitions for reconsideration of the satellite zoning preemption order are due at the FCC by April 15. NLC will be filing a petition for reconsideration,*

*along with other groups representing local governments. NLC also urges all state leagues to have their attorneys or telecommunications experts review the final order and consider filing reconsideration petitions before the FCC on behalf of the league or several cities in your state. State leagues should encourage their member cities to file petitions as well.*

*Moreover, it is imperative that all state leagues and NLC members immediately contact their Congressional delegations to let them know that they oppose FCC measures to implement the Telecommunications Act of 1996 by preempting local zoning over satellite dishes. Members of Congress have both the ability to put pressure on the FCC to publish regulations that consider the zoning concerns of local governments, and to propose amendments to the 1996 Act.*

## 1997 BUDGET

President Clinton sent Congress the details of his proposed 1997 federal budget, even though Congress and the President remain at loggerheads over the 1996 budget. The President's budget calls for increased spending and a higher federal deficit next year. The bulk of the proposed cuts would be deferred until after 1998, and his budget provides few details about those deep cuts in municipal priority programs after next year.

Overall, the Clinton budget would achieve balance over the next six years by cutting defense, space, and energy spending more than the GOP, but cutting natural resources, environment, housing and community development, transportation, education, and health and human resources less than the GOP. The President proposes \$117 billion in new, middle income tax breaks - less than half the tax breaks proposed by the GOP.

On key issues for cities and towns, the President proposes:

- level funding for the Community Development Block Grant (CDBG) and HOME state and local housing block grant programs;
- significant increases for public safety, including increased funding for drug enforcement, police officers, funds to combat youth gangs, and a 21 percent increase in funds for the Immigration and Naturalization Service budget for enforcement efforts;
- a request for the designation of 100 new empowerment and enterprise zones and a \$2 billion brownfields tax break initiative;
- significant increases in funding for education, Head Start, and child abuse prevention; and
- level funding for highway spending, but cuts in mass transit.

### President Clinton sent his 1997 budget to the Congress on Tuesday as Congress missed its 11th deadline to complete funding for priority municipal programs for the 1996 budget.

Congress recesses at the end of next week, after trying to complete action on funding federal programs for the remainder of the year and increasing the debt ceiling. Easter recess is scheduled for two weeks. Other key issues pending tomorrow and next week include FCC rulemakings, the effort in the House to repeal the assault weapons ban, the extension of OSHA mandates to state and local governments, and the Age Discrimination in Employment (ADEA) legislation. Therefore, please act now to urge your members to:

✉ Urge your delegation to press for final agreement on current year spending programs for priority municipal programs, and increasing the debt ceiling;

✉ Contact your Senate delegation to urge opposition to the extension of OSHA requirements to states and local governments;

✉ Contact your Senate delegation to urge prompt action on ADEA legislation; and

✉ Contact their city attorneys to prepare comments to the FCC, and to contact your Congressional delegation to express opposition to the proposed preemption of municipal zoning authority.

From the perspective of cities and towns, however, the only tangible outcome of the meeting was a bipartisan agreement to significantly increase the federal deficit and accelerate the insolvency of the Social Security trust fund. The leaders agreed to a House GOP demand to hold the increase in the national debt hostage to increased Social Security entitlement spending - spending which the White House estimated could increase the federal deficit as much as \$7 - \$8 billion a year.

The White House meeting came one day after the Senate completed action on a \$166 billion federal spending bill, HR 3019, to keep federal programs operating for the remainder of this year. The Senate bill would provide funding or appropriations for housing, community and economic development, employment and training, public safety, and other programs through September 30. But the Senate action came too late to reach agreement with the House and the White House before funding was scheduled to expire for the eleventh time at midnight March 22. Congress was poised to pass still another short term funding resolution to last through next week to buy enough time for the parties to try to reach agreement.

With the federal budget year half over at the end of this week and Congress already considering funding levels for next year, Congress has yet to complete funding bills for nine cabinet agencies funding hundreds of programs affecting local budgets, programs, and services. Funding for most of these programs has been at 75 percent of 1995 levels pending an agreement on full year funding. The partial funding has disrupted priority municipal programs, such as the Community Development Block Grant (CDBG) program, public safety, summer jobs, and education.

Under strong White House pressure, the Senate completed nearly a week of debate on more than 100 amendments, voting to restore \$2.7 billion more than the House for education and job programs, including \$635 million for this summer's youth jobs, and \$727 million for environmental programs. The increases were less than half the \$8 billion the President demanded, but nearly \$3.5 million more than House GOP leaders said they would accept.

The Senate adopted its version on a bipartisan 71-29 vote; the House barely won passage of its more austere version on a 209-206 vote. House and Senate conferees held a first, informal meeting this afternoon to begin to work out differences, but made clear they would be unable to resolve all the differences before next week, necessitating the further extension.

For city leaders, an agreement before another shutdown or the Easter vacation is key to current local budgets and certainty about funding for

National League of Cities  
1301 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

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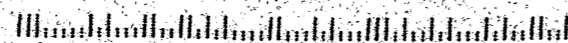
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FEDERAL  
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UPDATE

The Honorable Francis H. Duehay  
Acting Mayor  
795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

## BUDGET

President Clinton and his November opponent, Senate Majority Leader Robert Dole (R-Ks), House Speaker Newt Gingrich (R-Ga), and other bipartisan Congressional leaders agreed to defer any budget talks until after a two week Easter vacation and to focus their efforts on completing this year's budget and raising the debt ceiling before leaving town next week.



CDBG, public safety funding, education, training, and disaster assistance, especially for cities and towns hard-hit by this winter's flooding. The Senate addition of \$2.6 billion would fund summer youth jobs, Head Start, school-to-work training, and other jobs and education programs.

The breakthrough on the additional funding could ease veto threats from the White House, but could set up a confrontation with the House. House Republicans have insisted they will resist any additional funds for cities and towns added by the Senate and requested by President Clinton. The House GOP position is tempered by a letter from 27 moderate Republicans to House Appropriations Committee Chairman Robert Livingston (R-La) urging support for the Senate additions.

Other key issue for cities and towns will be resolution of public safety differences between the three sides and the House Section 507 paperwork mandate. The House version includes nearly \$2 billion in funding to replace the COPs program with direct, flexible public safety block grants to cities and towns. The Senate includes about \$900 million for local public safety block grants, with the remainder for the current "cops on the beat" program. The White House has threatened to veto any agreement that changes the COPs program. The House version also contains a provision, Section 507, which would mandate any local government to meet reporting requirements with regard to any federal funds involved in any program or project mentioned in any press release, written report, or any other kind of document issued by a municipality.

## ACTION

*Urge your delegation to complete agreement on the bill, to strongly support the public safety block grants to cities and towns, to support the*

*Senate funding levels, and to reject the new House paperwork, busywork mandate.*

## OSHA

Local governments may face another unfunded mandate. During the markup of S. 1423, the "Occupational Safety and Health Reform and Reinvention Act," on March 5, the Senate Labor and Human Resources Committee approved an amendment to extend OSHA to federal, state, and local governments.

For municipalities, especially now when local government budgets are extremely constricted, unfunded mandates will result in increased taxes, increased user fees, and/or cuts in vital city services such as police and fire protection. By some estimates, it would cost state and local government taxpayers approximately \$4 billion.

## ACTION

*Please contact your Senators to urge them to express your opposition of the extension of OSHA to state and local governments to the Senate leadership,*

*Senate Majority Leader Robert Dole (R-KS) and Senate Minority Leader Thomas Daschle (D-SD).*

*NLC Contact - Laurie Saroff, Legislative Counsel (202) 626-3042.*

## ADEA

It appears that the ADEA amendments, S. 849, will not be marked up by the Senate Labor Committee. We expect the bill will go directly to the floor for a vote by the full Senate perhaps as early as next week (March 25, 1996). At that time, Sen. Jim Jeffords (R-VT), the bill's chief opponent, will offer an amendment that is designed to kill it.

S. 849 would permit all cities and towns the option to establish and enforce age-based criteria for purposes of hiring and retirement of police and fire.

### Under the Jeffords Amendment:

- States and localities that did not have entry or exit age limits during the seven year exemption would be forever prohibited from adopting them.

- States and localities that had a mandatory retirement age during the seven year exemption (1986-1993) may continue to use it, but they MUST provide each public safety officer with an opportunity to prove they can still do the job by passing the test given to job applicants. This is being referred to as the "exemption to the exemption."

- States and localities may require fitness testing of all public safety officers over age 40. This is currently a violation of the ADEA.

In addition to barring age limits in cities and towns that did not qualify for the seven year exemption and requiring a waiver process in all places that wish to maintain their retirement age limits, the amendment also deletes the retroactive effective date contained in H.R. 849. This means that any changes made in hiring or retirement practices since the exemption expired on December 31, 1993, would continue for the affected individuals, and any pending litigation would move forward. In other words, there would be a two-year "notch baby" problem. Public safety officers who reached retirement age before 12-31-93 or after the date of enactment of H.R. 849 would be covered by mandatory retirement policies. However, those who reached retirement age during the two year window between 12-31-93 and the enactment of H.R. 849 would be unaffected and able to continue working indefinitely.

## ACTION

*Please contact all Senators to urge their opposition to the Jeffords Amendment or other weakening amendments.*

## TELCOM

The Federal Communications Commission (FCC) has begun to publish rules implementing the Telecommunications Act of 1996, as required by Congress. The following two rulemakings published by the FCC have considerable implications for cities and towns in that they have the potential to restrict localities' ability to collect franchise fees and control local zoning.

### FCC Rulemaking on "Open Video Systems"

On March 11, 1996, the FCC released a Notice of Proposed Rulemaking (NPRM) on "Open Video Systems" (OVS). In the OVS rulemaking, the FCC will decide how to implement Section 303 of the Telecommunications Act of 1996. This section allows local exchange telephone companies ("LECs") to provide cable service without a cable franchise, subject to the rules the FCC will now establish.

The OVS scheme poses serious dangers to local franchising of both telephone companies providing video and existing cable systems. This is because OVS, as proposed in the NPRM, may allow both LECs and cable companies to escape the franchising requirements of the Cable Act, depending on how the FCC structures the rules.

In the NPRM, the FCC is proposing OVS rules so lenient that a LEC may be able to operate what is for all intents and purposes a cable system, without a cable franchise. If this approach prevails, LECs are likely to use the lenient OVS licensing to escape most of the obligations of a cable operator.

Moreover, the FCC has also asked for comments on whether existing cable operators should be allowed to become OVS operators. If so, it is possible that incumbent cable companies may also try to elude their current franchise obligations by transforming themselves into OVS operators.

Among other things, the NPRM proposes OVS rules that would allow an OVS operator:

- to set discriminatory rates and conditions for unaffiliated programmers on their systems, similar to the very broad discretion cable systems now have. If OVS providers are allowed to discriminate in this fashion, they will probably be able to effectively discourage use by unaffiliated programmers. As a result, the statute's requirement that an OVS programmer must make two-thirds of its capacity available to unaffiliated programmers, if demand exceeds capacity, will become meaningless. In practice the OVS operator will become a cable operator, except that it will be exempted from the Cable Act franchising requirement.

- to effectively control all the programming on its system by picking and choosing among potential programmers and offering such programmers' signals as part of its own programming package.

- to satisfy its undefined PEG obligations under the statute by merely sharing with the existing cable operator the costs of existing PEG channels.

## ACTION

*Comments on the NPRM must be submitted to the FCC by April 1. Reply comments will be due April 11. NLC will be filing comments before the FCC, along with other groups representing local governments. NLC also urges all state leagues to have their attorneys or telecommunications experts review the rules and consider filing comments before the FCC on behalf of the league or several cities in the state in order help preserve historic and essential local authority in these areas. State leagues should encourage their member cities to file comments as well.*

### FCC Final Order of Preemption of Local Zoning of Satellite Earth Stations

The FCC has just adopted far reaching rules that preempt most local government authority over satellite dishes in order to implement Section 207 of the Telecommunications Act of 1996. The FCC's final order can be found in the March 18 Federal Register beginning on page 10896.

Section 207 directs the FCC to publish regulations to "prohibit restrictions that impair a viewer's ability to receive video programming services through devices designed for over-the-air reception of television broadcast signals, multichannel multipoint distribution service or direct broadcast satellite service."

In order to implement this section of the Act, the FCC's final order states that all state or local zoning, land-use, building or similar regulations that materially limit transmission or reception by satellite earth station antennas, or impose more than minimal costs on users of such antennas, are preempted unless the local government can demonstrate that the regulation is reasonable.

In order to be considered "reasonable," the local zoning or building regulation must have a "clearly defined health, safety, or aesthetic objective that is stated in the text of the regulation itself." In other words, all local zoning regulations must have a stated objective. If the regulation does not state its purpose, it could automatically be considered unreasonable by the FCC for the purposes of challenging the preemption.

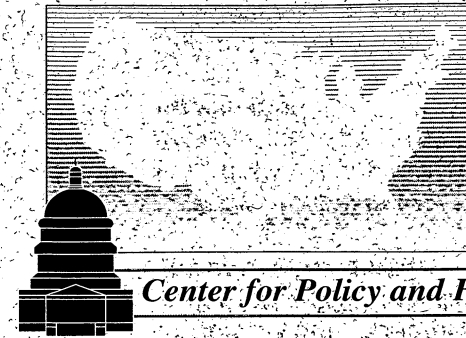
Moreover, the local zoning regulation must also further the stated health, safety or aesthetic objective "without unnecessarily burdening the federal interests in ensuring access to satellite services and in promoting fair and effective competition among competing communications service providers."

For small dishes of one meter or less located anywhere in a community, and for dishes of two meters or less in commercial and industrial zones, all state and local regulations that affect the installation, maintenance, or use of satellite dishes are presumed to be unreasonable and are automatically preempted on April 17, 1996, the effective date of the new rule, unless the local government is granted an FCC waiver to implement its regulation.

The rule therefore forbids a local government from taking any civil, criminal, administrative or other legal action of any kind to enforce any local regulation of below-one or two meter dishes unless and until the local government successfully petitions the FCC for a waiver of its rules.

This means that, effective April 17, homeowners will be able to install dishes of one meter or less anywhere on their houses or in their yards - even in historic districts - unless the local government files and wins a waiver petition at the FCC.

A local government may rebut the presumption of unreasonableness upon a showing that the local regulation is "necessary to accomplish a clearly defined health or safety objective that is stated in the text of the regulation itself, and is no more burdensome to satellite users than is necessary to achieve the health or safety objective."



# STATE LEAGUE LEGISLATIVE UPDATE

Center for Policy and Federal Relations

March 29, 1996

By taking the trust funds "off-budget," the Budget Committee could still set spending limits, and the Appropriations Committee could still impose obligation limitations. Additionally, taking the trust funds "off-budget" does not increase the federal deficit. The trust funds are considered "deficit proof" because spending from these trust funds cannot exceed the amount of revenues deposited into them.

## Action:

Please contact your Representatives in their district offices, and urge their support for H.R. 842. Additionally if your member is a co-sponsor of the bill, thank them for their support and seek a commitment to vote for the bill on April 16. To determine if your Representative is a co-sponsor, please call Laurie Saroff, legislative counsel, at (202) 626-3042.

## Local Flexibility Act

Local officials may receive greater flexibility to determine how to spend federal funds. The House and Senate both are considering legislation that would allow local governments to combine similar federal grants rather than spend the money in the manner defined by federal regulations. Currently, the two bills, H.R. 2086, the "Local Empowerment and Flexibility Act of 1996," and S. 88, "Local Flexibility and Empowerment Act of 1995," are in committee, and markup on the bills is expected in April.

The goal of the legislation is to provide flexibility in how federal grant money is spent on the local level. However, federal grant money must still be spent for its intended purpose. For example, transportation funding must be spent on transportation and cannot be transferred to housing. The purpose is for local governments to combine federal dollars in a unique

manner to customize federal programs at the local level. If a municipality receives funding from four separate drug programs, it can design one drug program for its community.

Additionally, some statutes may be modified. One possibility is the Davis-Bacon Act. Although municipalities would still have to pay prevailing wages, they could decrease the weekly reporting requirements, which would be a savings in paperwork expenses.

Finally, some statutes, such as civil rights, are not exempt and could not be waived under this legislation.

Under the bill, state, local, and tribal governments, and private, nonprofit organizations could submit a local flexibility plan. Local governments would need to submit the plan to the state and other affected local governments. Then, the city would submit its plan to the federal Community Empowerment Board, that is made up of Secretaries of the Departments, for approval.

## Action:

Please contact your Congressmen and Senators in their district offices to express your support for the bill to the members of the Senate Governmental Affairs and House Government Reform and Oversight Committees. Additionally, in letters, provide examples of how your municipality would use the bill.

National League of Cities  
1301 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004

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The Honorable Francis H. Duehay  
City Councillor  
26 Lowell Street  
Cambridge, Massachusetts 02138

FEDERAL  
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UPDATE

Congress is struggling to complete funding for priority municipal programs for the 1996 budget before recessing this week, after trying to complete action on funding federal programs for the remainder of the year and increasing the debt ceiling. Easter recess is scheduled for two weeks. Please use this recess to schedule meetings with your delegation members to press on key issues pending when Congress returns in mid-April:

1. Urge your delegation to press for provisions in any welfare reform act to protect cities from unfunded federal or state mandates;
2. Contact your Senate delegation to support action on ADEA legislation and to oppose the Jeffords amendment;
3. Contact your Governor to urge opposition to the draft municipal stormwater provisions drawn up by the National Governors' Association;
4. Contact your Senate delegation to urge opposition to extension of OSHA mandates to state and local governments;
5. Urge your delegation to support efforts to take transportation trust funds off budget; and
6. Urge your delegation to support the Local Flexibility Act.

## Welfare Reform

We expect a bill similar to the proposal that was recently recommended by the National Governors Association on welfare reform will be introduced shortly in the House of Representatives.

The bill is expected to differ from NLC policy in at least two vital areas. Like H.R. 4, the new bill would end the entitlement status of many welfare reform programs, such as Aid to Families With Dependent Children (AFDC), and foster care and instead give to the states a capped lump sum amount of money to create their own programs. In contrast, NLC policy supports

maintaining some minimum federal safety net standards and ensuring that program funding is not restrained by arbitrary caps on benefits.

Moreover, the bill is unlikely to provide a significant role for local governments in creating state welfare programs, and would in no way prevent a state from shifting burdens onto local governments, either by requiring additional local responsibilities in the administration of the program, by curtailing funds and forcing a municipality to support more families through its general assistance fund, or by increasing crime, homelessness and illness through joblessness and lack of health care. NLC policy supports ensuring that states consult with local government officials in the design, delivery and evaluation of services.

Reps. Zoe Lofgren (D) and Tom Campbell (R) from California have circulated a "Dear Colleague," which they will ultimately be sending to the House Ways and Means Committee. The letter urges support for an NLC-backed amendment which would require states to work jointly with local governments in formulating their block grant plans and would prohibit the federal government and the states from imposing unfunded mandates on to cities and towns. NLC and other local organizations have sent a letter to all members of the House urging them to sign the Lofgren-Campbell letter.

It is unclear how the new bill will address the issue of immigration in welfare reform, largely because the governors' proposal did not address the issue of welfare benefits to legal immigrants. However, under H.R. 4, legal immigrants would have been prohibited from receiving Supplemental Security Income (SSI) and Food Stamps. NLC policy opposes the denial of welfare benefits to legal immigrants.

On a good note, the governors' proposal made some significant strides in areas of great importance to local governments. In particular, the proposal includes \$4 billion in additional funds for child care, \$1 billion in additional federal matching funds for states during times of economic hardship, making the work participation requirements more flexible, and eliminating the food stamp block grant.



NLC had earlier expressed grave concern over the work participation requirements set forth in H.R. 4 and the availability of funds to meet these requirements. Mayor Lashutka noted that the bill's "work participation requirements are unrealistic; and funding for child care and job training is not sufficient to meet these requirements."

Under H.R. 4, 50 percent of all single welfare recipients and 90 percent of all married recipients would have to be engaged in a work activity by the year 2002 or the state would be sanctioned for failure to comply and lose up to 5 percent of its block grant allocation for the next fiscal year.

NLC is lobbying both the House and Senate to include in the new welfare reform bill, at a minimum, these significant improvements set forth in the governors' proposal.

#### **Action:**

Please contact your Congressional delegation over this spring recess and urge them to:

First and foremost, sign on to the Lofgren-Campbell letter urging support for an amendment that would protect local governments from state and federal unfunded mandates; and support welfare reform that would eliminate unreasonable and costly work participation requirements; eliminate requirements that states bar legal immigrants from receiving federal benefits; and maintain the safety net for AFDC and foster care.

#### **ADEA**

The NLC-supported Age Discrimination in Employment Act amendments, S. 849, has been cleared for Senate floor action. The vote is expected to occur immediately following the Easter recess. S. 849 would permit all cities and towns the option to establish and enforce age-based criteria for purposes of hiring and retirement of police and fire.

Senator James Jeffords (R-VT), the key opponent of the measure, is expected to offer the amendment he had planned on bringing up in Committee but never got the chance. Under the Jeffords Amendment:

- States and localities that did not have entry or exit age limits during the seven year exemption

would be forever prohibited from adopting them.

- States and localities that had a mandatory retirement age during the seven year exemption (1986-1993) may continue to use it, but they MUST provide each public safety officer with an opportunity to prove they can still do the job by passing the test given to job applicants. This is being referred to as the "exemption to the exemption."
- States and localities may require fitness testing of all public safety officers over age 40. This is currently a violation of the ADEA.

In addition to barring age limits in cities and towns that did not qualify for the seven year exemption and requiring a waiver process in all places that wish to maintain their retirement age limits, the amendment also deletes the retroactive effective date contained in HR 849. This means that any changes made in hiring or retirement practices since the exemption expired on December 31, 1993, would continue for the affected individuals, and any pending litigation would move forward. In other words, there would be a two-year "notch baby" problem. Public safety officers who reached retirement age before 12-31-93 or after the date of enactment of HR 849 would be covered by mandatory retirement policies. However, those who reached retirement age during the two year window between 12-31-93 and the enactment of HR 849 would be unaffected and able to continue working indefinitely.

#### **ACTION:**

Please contact all Senators to urge support for the bill and opposition to the Jeffords Amendment or other weakening amendments.

#### **STORMWATER**

The National Governors' Association has drafted a legislative proposal to amend the municipal stormwater program that presents significant concerns to NLC. The proposal was developed earlier this year by state regulators with no prior consultation with representatives of local government.

While the proposal would authorize states to develop an alternative to the current municipal program, it also presumptively includes cities over 100,000 population in a permit program that closely resembles current

requirements. Furthermore, any change from current stormwater requirements for these larger communities would be entirely at the state's discretion. Also at state discretion would be whether to invest time in developing a different program for smaller cities and towns, or to extend the current program to everyone, or to make such decisions on a case-by-case basis.

While the proposal prohibits the imposition of numerical effluent limits on municipalities for 15 years, it also includes a new concept -- "quantified action levels," a concept which seems to hold municipalities responsible for any and all pollutants in the receiving waters unless the municipality can demonstrate it is not the source of the pollution. Exceeding a "quantified action level" would result in an automatic permit reopener requiring implementation of increasingly more stringent best management practices.

In a letter to the gubernatorial leadership of NGA, NLC president, Mayor Greg Lashutka, joined by NACo president, Commissioner Douglas Bovin (Delta County, MI), expressed the dismay of local-elected officials at both the process for developing and the content of the draft proposal. "State regulators have indicated they cannot afford to lose the resources generated from the issuance of NPDES permits for stormwater run-off and that given the level of time and effort invested by state regulators in developing a municipal stormwater program, they are unwilling to amend the results of those efforts in an attempt to develop an alternative -- i.e., rational, cost-effective -- program," they said.

NLC is continuing its efforts to secure conference report language directing EPA to use its advisory committees on urban wet weather issues as the vehicle for resolving the stormwater morass. In addition, NLC and NACo are meeting regularly with some of the environmental participants on the advisory committee to draft an alternative stormwater framework for consideration by the group. We are optimistic that this process can yield far more effective results for municipalities than the state bureaucrats developing a proposal on their own.

#### **ACTION:**

The next meeting of the drafters of the NGA proposal is scheduled for May 2-3. Contact your Governor and urge him or her to oppose the draft municipal stormwater provisions in the NGA proposal. Urge your governor to support the efforts of the EPA-convened

advisory committees (which include significantly more state representatives than local elected officials) to resolve the municipal stormwater program. (Copies of the NGA stormwater draft are available by calling Carol Kocheisen at (202) 626-3028).

#### **OSHA**

As stated in the last update, the Senate Labor and Human Resources Committee approved an amendment to extend OSHA to federal, state, and local governments. The amendment was approved during a markup on March 5 of S. 1423, the "Occupational Safety and Health Reform and Reinvention Act." This amendment would be another unfunded mandate for local governments.

For municipalities, especially now when local government budgets are extremely constricted, unfunded mandates will result in increased taxes, increased user fees, and/or cuts in vital city services such as police and fire protection. By some estimates, it would cost state and local government taxpayers approximately \$4 billion.

#### **Action:**

Please contact your Senators in their district offices to urge them to express your opposition of the extension of OSHA to state and local governments to the Senate leadership, Senate Majority Leader Robert Dole (R-KS) and Senate Minority Leader Thomas Daschle (D-SD). Provide the members with cost estimates of extending OSHA to your municipality.

#### **Transportation Trust Funds**

When the House returns from recess, there will be a floor vote on H.R. 842, the "Truth in Budgeting Act," on April 16. The purpose of this Act is to take the Transportation Trust Funds "off-budget." This bill has 242 co-sponsors.

American transportation users pay through taxes into four trust funds that were established beginning with the Highway Trust Fund in 1956, to provide transportation infrastructure improvements. Since the unified budget was instituted in 1969, annual expenditures from these single-purpose trust funds have been reduced, which creates a surplus in the trust funds. By the end of fiscal 1995, the balance was \$30 billion. This balance is used to make the federal deficit appear smaller.

# PRESIDENT CLINTON'S BUDGET AT-A-GLANCE

## What it means to the Nation's Cities

ISSUES	BUDGET CHANGES	MUNICIPAL IMPACT	NLC POSITION
<b>CONTROLLING FEDERAL ENTITLEMENT SPENDING</b>	<ul style="list-style-type: none"> <li>• 76% of increased federal spending over the next 6 years would be for Social Security, Medicare, and Medicaid. The budget proposes no structural changes to address the looming insolvencies of the Medicare and Social Security trust funds.</li> <li>• Proposes to increase Social Security spending by \$397.9 billion over the next 6 years, Medicare spending by \$284.7 billion.</li> <li>• Entitlement spending would continue to grow as a percent of the total budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of control over entitlement spending would force 50% of budget cuts to come from human and capital investment programs affecting state and local governments.</li> <li>• Growth in federal non-means tested entitlement programs increases the long-term deficit, especially after the year 2000 eroding resources for investment in local economies and deferring hard choices.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports application of means-testing to all federal entitlement spending.</li> <li>• Supports a shared federal-state and local partnership to reduce the cost of health, welfare, and national needs of children and families instead of simply shifting burdens to other levels of government.</li> <li>• Believes all parts of the federal budget must be on the table.</li> </ul>
<b>TAX</b>	<ul style="list-style-type: none"> <li>• Would provide over \$117 billion in new tax expenditures over next 6 years.</li> <li>• Would provide tax incentives for private businesses in up to 100 new Enterprise Zones and Empowerment Zones, as well as tax incentives for business and owners to clean up and restore contaminated property in distressed areas (brownfields).</li> </ul>	<ul style="list-style-type: none"> <li>• Would increase the federal deficit and increase the cost of municipal capital investment.</li> <li>• Would encourage revitalization of local economies and jobs in distressed urban and rural areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Opposes tax cuts or expenditures unless and until legislation to achieve a balanced budget has been signed into law and implemented.</li> </ul>
<b>PUBLIC SAFETY</b>	<ul style="list-style-type: none"> <li>• Proposes increased funding to combat youth violence, crime on the streets, drugs, and illegal immigration.</li> <li>• Adds \$27.9 million to prevent and investigate domestic terrorism.</li> <li>• Would increase COPs funding in 1997 by 9.7%.</li> <li>• Would double funding for upgrading criminal records.</li> </ul>	<ul style="list-style-type: none"> <li>• Greater federal funding would provide more resources to help cities deal with youth violence.</li> <li>• More funds for municipal police: Would add resources for cities to fight crime.</li> <li>• Greater federal anti-terrorism efforts could reduce chances of domestic terrorist acts in cities.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports a federal partnership to address youth violence and drugs.</li> <li>• Supports direct, flexible block grants to fight crime at the local level.</li> <li>• Supports a federal-local joint effort to combat domestic terrorism.</li> </ul>
<b>TRANSPORTATION &amp; INFRASTRUCTURES</b>	<ul style="list-style-type: none"> <li>• Proposes cuts in transportation funding in excess of 30% over next six years.</li> <li>• Proposes shift from grant funded through user fees to loans to state infrastructure banks.</li> <li>• Proposes transit operating assistance at levels 30% below 1995.</li> </ul>	<ul style="list-style-type: none"> <li>• Federal reductions in surface transportation would affect municipal capital budgets, local taxes, and divert more highway and airport federal user fees to non-transportation programs.</li> <li>• Converting grants to loans and states at a time when congressional leaders are proposing to eliminate tax exempt municipal bonds would significantly increase local capital and operating costs for roads, bridges, airports, transit and all other types of public infrastructure.</li> <li>• Cuts in operating assistance will force cities and towns to either raise fares, increase local subsidies, or cut services.</li> </ul>	<ul style="list-style-type: none"> <li>• NLC opposes diversion of transportation trust funds.</li> <li>• NLC opposes disinvestment in public capital infrastructure.</li> <li>• NLC supports direct capital grants out of federal trust funds directly to local governments.</li> <li>• NLC supports flexible transit assistance to permit cities to determine the best allocation of transit resources.</li> </ul>
<b>HOUSING &amp; COMMUNITY DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>• Proposes to cut community development assistance by about 30% over six years.</li> <li>• Level CDBG and HOME funding for 1997.</li> <li>• Reduced funding for public and assisted housing.</li> </ul>	<ul style="list-style-type: none"> <li>• Cuts would directly impact municipal budgets and services. Failure to address spiraling Section 8 contract expirations could impose major problems for cities in homelessness and reduced assessed values of affected units.</li> </ul>	<ul style="list-style-type: none"> <li>• Opposes disproportionate cuts in housing and community development.</li> <li>• Supports real accountability and long-term solutions to deal with coming Section 8 crisis.</li> </ul>
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>• Decreases proposed funds for Clean Water SRF by \$400 million for a total request of \$1.35 billion.</li> <li>• Requests \$550 million for a Drinking Water SRF that has not yet been authorized.</li> <li>• Proposes \$1.4 billion for Superfund clean up of the nation's worst hazardous waste sites, a modest increase over anticipated current funding levels, and \$45 million as well as "targeted tax incentives" for re-development of brownfields.</li> </ul>	<ul style="list-style-type: none"> <li>• Cuts in Clean Water Act loans would further hamper municipal ability to comply with EPA estimated \$127 billion in mandates.</li> <li>• Without reauthorization of the Safe Drinking Water Act, loan funds will remain unavailable.</li> <li>• No appreciable impact from modest increase in Superfund.</li> </ul>	<ul style="list-style-type: none"> <li>• NLC supports funding for both grants and loans to assist municipalities in meeting federal Clean Water Act mandates.</li> <li>• NLC supports revisions to the current liability provision of Superfund as method for reducing and containing costs.</li> <li>• NLC supports alternative uses for proposed Drinking Water SRF revenues (e.g., health effects research; R&amp;D on new, less costly technology; grants for disadvantaged communities).</li> </ul>
<b>CHILDREN, YOUTH &amp; FAMILIES, EDUCATION &amp; JOB TRAINING</b>	<ul style="list-style-type: none"> <li>• Proposes \$59 billion in Medicaid reduction.</li> <li>• Proposes increases in funding for Head Start, funding to combat teen pregnancy, and to assist early childhood health and education.</li> <li>• Proposes increased summer youth job training assistance.</li> <li>• Proposes increases in funding for Education, including Safe and Drug-Free Schools and Communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced Medicaid resources could increase needs for local services for the 60% of current beneficiaries in cities who are children.</li> <li>• Increased family resources could help reduce juvenile violence and enhance healthier communities.</li> <li>• Increased job training could help local economies, greater education resources could help local governments to achieve better results.</li> </ul>	<ul style="list-style-type: none"> <li>• NLC opposes cuts in needs-tested entitlement programs that simply shift burdens and services to other levels of government.</li> <li>• NLC support investment in human resources.</li> </ul>



## CITY OF CAMBRIDGE

MASSACHUSETTS 02139 • 617-349-4280

FAX 617-349-4287

Councillor Francis H. Duehay  
26 LOWELL STREET  
CAMBRIDGE, MASSACHUSETTS 02138  
617-547-0271

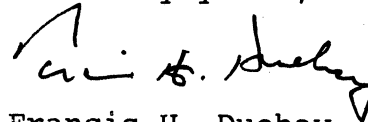
April 4, 1996

To the Honorable, The City Council

Please find attached copies of the March 22 and 29 Legislative Bulletins from the National League of Cities containing updates on pending matters affecting the vital interests of cities nationwide. In my judgement it is imperative for Cambridge and all communities to be in constant communication with our Congressional delegation and our Senators and with our Governor on these issues.

Accordingly, I am recommending that the City Council adopt a resolution taking the action recommended by the NLC on all these matters. I shall bring other such bulletins to the Council as they are sent to me.

Sincerely yours,

  
Francis H. Duehay

Communications and Rpts. from *S-183*  
City Officers #1

Communication received from  
Councillor Francis H. Duehay  
transmitting copies of the  
March 22 and 29 Legislative  
Bulletins from the National League  
of Cities containing updates on  
pending matters affecting the vital  
interests of cities nationwide.

In City Council April 8, 1996

*Placed on file.*