74.

(HD)

Resolved: That the City Council go on record opposing the sale of broadcast spectrum to finance a temporary gas tax cut; and be it further

Resolved: That the City Council urges rejection of the House proposed CDBG sanctions on cities in the public housing reform House-Senate Conference; and be it further

Resolved: That the City Council urges full funding for priority municipal programs; and be it further

Resolved: That the City Council urges support for the municipal retirement and extenders provisions in the House tax bill; and be it further

Resolved: That the City Council urges rejection by the House-Senate conferees of new, unfunded immigration mandates; and be it further

Resolved: That the City Council urges House opposition to the imposition of federal OSHA mandates on state and local governments; and be it further

Resolved: That the City Council opposes provisions in the proposed Workforce Development Consolidation legislation in HR 1617, the "Careers" Act that would eliminate the oversight authority currently given to local government officials in reviewing and approving local employment plans and training plans and budgets; and be it further

Resolved: That the City Clerk forward this resolution to the Massachusetts Congressional Delegation.

NATIONAL LEAGUE OF CITIES

STATE LEAGUE LEGISLATIVE UPDATE

Center for Policy and Federal Relations

May 17, 1996

Congress heads into a key week before its Memorial Day recess, pressing to complete action on the budget, auctioning off broadcast spectrum to pay for a temporary gas tax cut, completing action on a tax bill with municipal retirement provisions, and going to conference on key housing and community development and immigration mandate issues.

☞ Please press on the following key issues:

1. Urge your delegation to oppose the sale of broadcast spectrum to finance a temporary gas tax cut;

2. Urge your delegation to reject the House-proposed CDBG sanctions on cities in the public housing reform House-Senate conference;

3. Urge your delegation to ensure full funding for priority municipal programs;

4. Urge support for the municipal retirement and extenders provisions in the House tax bill;

5. Urge rejection by the House-Senate conferees of new, unfunded immigration mandates;

6. Urge House opposition to the imposition of federal OSHA mandates on states and local governments ; and

7. Urge your delegation to ensure a local role in the appointment of workforce development boards.

HD Sullivan immediately

Congressional del

PUBLIC SAFETY: The House Rules Committee, bypassing the normal committee process and without any hearings, cleared legislation, HR 3415, for full House action on Tuesday, May 21 to mandate the Federal Communications Commission (FCC) to auction off $2.5 billion worth of broadcast spectrum to finance a temporary reduction in the federal gas tax. The rule bars any amendments. The bill could undercut cities' ability to meet emergency public safety needs, as well as divert efforts away from reducing the federal deficit and national debt.

In the wake of terrorist bombings in New York City and Oklahoma City, cities have borne the most immediate need to respond and to develop new, more effective ways to enhance public safety telecommunications. FCC auctions of spectrum could block, preempt, or interfere with these critical efforts to protect the public. The Public Safety Wireless Advisory Commission, established by Congress in 1993 through the Federal Communications Commission and the National Telecommunications and Information Administration, to design a plan for public safety telecommunications needs through the year 2010, has specifically requested that the federal government defer from taking any action which might affect frequencies until it issues its report.

NLC President Greg Lashutka wrote to President Clinton and members of the House and Senate to oppose precipitous action: "While the concept of auctioning off spectrum appears to be a way for the federal government to raise new federal revenues without a cost to the public, it is clear there will be consequences - and perhaps consequences involving human lives. If spectrum allocated to private use is expanded unnecessarily without careful consideration of public safety communications needs, now and in the future, access to public use will be jeopardized and costs will increase. At a time when violent crime is the greatest concern of the American public, our citizens demand and deserve public safety and emergency communications that meet the growing needs of their communities. We urge you to take no further action on spectrum allocation until public safety spectrum needs are fully considered and protected. What is at stake is the ability of cities to provide public safety and to save lives."

The hurried House action came after efforts in the Senate by departing Majority Leader Robert Dole (R-Kan) to tie the 4.3 cent a gallon temporary gas tax reduction into a package involving an increase in the

Late order to send communication to all congressional delegation to support the seven key issues above minimum wage, a taxpayer bill of rights bill, legislation to change labor-management relations, and the underlying bill to reimburse former White House Travel Office employees stalled. To finance the seven month temporary gas tax cut, Dole had proposed a complicated and controversial proposal to first count funds from a special assessment on commercial banks to shore up the troubled insurance fund for the nation's federally insured savings and loan institutions. The special assessment or tax on banks would raise almost $4.1 billion in new revenues, which, by an accounting mechanism, Dole was proposing to count as offsetting the $2.9 billion revenue loss from the gas tax cut.

But because the insurance fund would spend, rather than grow in later years, Dole had proposed to order the Federal Communications Commission (FCC) to auction off $2.5 billion of the "non-television" broadcast spectrum by March 31, 1998. The revenue from the auctions would have been used to offset losses in the bank insurance fund in subsequent years after 1996. The gas tax cut would expire, however, on December 31, 1996.

In 1993, Congress ordered the FCC to undertake a study of current and future spectrum needs of State and local government public safety agencies through the year 2010, and a specific plan to ensure that adequate frequencies are made available to public safety licensees. The Public Safety Wireless Advisory Commission, created as a result of the Congressional action, includes both state and local representatives, including the Police Commissioner from New York City and Fire Chief of Los Angeles County. The Commission set up under the law expects to issue its report and recommendations in September.

The committee is examining state and local public safety spectrum needs, both current and for projected increases over the next 15 years, and specifically requested Congress to hold off proposing the auctioning off of more spectrum until it completes its study. Vancouver, Washington, like many cities, is currently spending some $14 million to move to a different frequency on the spectrum to upgrade and improve its public safety. Oklahoma City indicated in the wake of the domestic terrorist bombing that enhanced spectrum use was its highest public safety priority.

ACTION: Call or FAX your entire delegation immediately to urge rejection of any broadcast spectrum sale unless and until the commission has completed its report and recommendations with regard to emergency state and local public safety needs. Spectrum allocated out of a finite amount to private use would unnecessarily jeopardize public safety communications needs, now and in the future, and increase state and local costs. Urge rejection of any consideration of the sale of spectrum that avoids a careful hearing process to fully evaluate the impact on cities and towns and the local public safety and emergency communications critical to meet the growing needs of communities.

CDBG: House and Senate conferees will meet shortly to consider a House-passed proposal to cut off Community Development Block Grant (CDBG) funds to some cities or towns as part of public housing reform legislation. The House bill would give HUD authority to cut off CDBG block grants if HUD determined that the city or town in some way had contributed to public housing problems in the city. This would be unprecedented authority to penalize cities for past mismanagement by the Congress and HUD, as well as for actions taken by public housing authorities over which cities and towns have little to no control.

The House passed its version of the bill, H.R.2406, on public housing reform on May 9 and sent it to the conference with the Senate. The Senate public housing reform bill, S.1260, has already passed and does not include CDBG sanctions. In its present form, Title IV, Section 436 (e) of the House bill would allow the Secretary of the Department of Housing and Urban Development (HUD) to withhold CDBG funds from a local government whose actions or inaction "substantially contributed" to the conditions resulting in a local housing management agency being designated as "troubled."

Republicans, led by Representatives Doug Bereuter (R-Neb.) and Rick Lazio (R-N.Y.), Chairman of the Housing Subcommittee, wrote in the NLC-opposed provision. To date, they have resisted all efforts aimed at removing the sanction. NLC has worked with our strong CDBG coalition for more than six months to eliminate the provision. We urged Mr. Lazio and Mr. Bereuter to use incentives instead of sanctions to encourage better cooperation between elected officials and housing authorities.

Supporters of the CDBG sanction contend that it will never be used because of the drastic consequences to local governments of losing Community Development Block grants. According to Congressman Lazio, "We are trying to get maximum leverage." The implication is that city leaders must be held responsible for thirty years of HUD mismanagement, counterproductive policies, over regulation, and local political influence. There is nothing in the CDBG sanction provision which would prevent its imposition based on past transgressions.

ACTION: Please contact all members of your Congressional delegation and ask them to oppose the CDBG sanction in the proposed "U.S. Housing Act of 1996." It is critical that you urge both your Representatives and Senators to contact the members of the Conference Committee to call for the removal of Title IV, Section 436 (e) from S.1260 during the conference. The conferees are listed below.

House Conferees: James A. Leach (R-Iowa), Rick A. Lazio (R-N.Y.), Douglas K. Bereuter (R-Neb.), Richard H. Baker (R-La.), Michael N. Castle (R- Del.), Henry B. Gonzalez (D-Tx.), Bruce F. Vento (D-Minn.), Joseph P. Kennedy, II (D-Mass.), **Senate Conferees:** Alfonse D'Amato (R-N.Y.), Connie Mack (R-Fla.), Christopher S. Bond (R-Mo.), Paul Sarbanes (D-Md.)

1997 BUDGET: After easily rejecting a liberal, conservative, and the President's proposed budget, the House voted last night along partisan lines to adopt a plan to balance the federal budget over the next six years. The Senate should complete a similar version on May 21. The House and Senate GOP budgets are nearly identical. Both would freeze overall spending levels for domestic programs next year, before triggering over $300 billion in cuts in later years; both would increase defense spending; and both would increase spending for Medicare and Social Security by just under half a trillion dollars over the next six years. Under the resolution spending for the two largest federal spending programs would grow to nearly 40 percent of the federal budget by the year 2002, leaving less and less room for all other programs and heading both programs, irrevocably, towards bankruptcy.

For cities, the twin budget actions are a key step to clear the way for Congress' spending committees to begin setting specific funding levels for key municipal programs for the new fiscal year beginning on October 1, 1996. Under Congress' budget rules, the appropriations or spending committees may not begin formal action on the 13 different spending bills to keep the federal government in operation and fund all state and local programs after September 30, 1996, until Congress has acted to adopt an overall limit on discretionary spending.

Under the two resolutions, the 13 subcommittees in the House and Senate will have approximately the same amount of funds to divvy up next year as they have this year. In practice, this will mean that any increase in any one program may only come at the expense of funds for another program. For example, proposals to increase funding for Veterans' programs could only happen if the committees agreed to cut a comparable, offsetting amount for housing and community development, transportation, or education. The budget action officially clears the path for Congress' spending committees to begin their "shark tank" process, dividing the big pot into thirteen smaller pots, which in return the subcommittees will divvy up between competing interests.

Overall, the budget adopted by the House and almost certain to be adopted by the Senate would sharply reduce spending for priority municipal programs, while increasing federal spending for non-needs-tested entitlement programs, defense, and tax expenditures or breaks over the next six years. The twin budgets also propose to raise $19 billion in new federal revenues through the auctioning off by the FCC of broadcast spectrum - again raising key public safety communications questions for cities and towns. The cuts are nearly 50 percent smaller than the GOP proposals of last year, due to economic growth, which has reduced the deficit far below levels predicted by the Congressional Budget Office, and due to tax cuts nearly two-thirds smaller than the House GOP requested last year.

The respective recommendations are advisory only. Once the Congress agrees to the budget resolution, the House and Senate spending or Appropriations Committees could proceed to begin work on spending levels for next year. The committees would have exactly the same level of funding as for this year and could allocate increases and decreases however they wish, as long as the total reached a zero sum compared to this year. That would mean, for instance, that any increase in any program for inflation, need, or any other reason, would require an offsetting cut in another program.

■ **Reconciliation**: To deal with the proposed changes in taxes and entitlement programs like welfare, Medicaid, and Medicare, the House and Senate GOP leaders propose to send instructions to the tax and entitlement committees to put together three bills to make permanent changes in these programs. The bills, called reconciliation bills because they would reconcile permanent changes in federal laws to budget or spending levels set by the Budget Committees, ensure expedited consideration in the House and Senate. The GOP leaders propose to act first on legislation to force cuts in the needs-tested Medicaid and welfare programs, block granting these programs to governors and ending the federal safety net.

If, and only if, the President signed such a bill into law by July 4, then the leaders would send a second reconciliation bill, incorporating the $168 billion in Medicare cuts, to the President before the August Congressional vacation. Finally, Congress would take up the third bill, to create a permanent $500-per-child tax credit for middle income families in September.

ACTION: Urge your delegation to put off any tax cuts and breaks until the federal budget is balanced, and any spectrum allocation until there has been a careful examination of current and future municipal public safety needs. Urge your delegation to support full funding or appropriations for all municipal priority programs.

BENEFITS: The House hopes to act on legislation as early as May 21 to increase the minimum wage, adopt some $7 billion in small business tax breaks, and act on a number of NLC-supported proposals to modify municipal retirement programs. The GOP leadership strongly opposes the minimum wage increase, but lacks the votes to prevent it, so they are proposing the package to soften the perceived blow to small businesses of a minimum wage increase. The White House has indicated the administration could support the package.

GOP leaders hope to complete action on the minimum wage issue by the end of the week before Congress begins its 10 day Memorial Day recess. Senate leaders are awaiting House action to determine how to break the logjam on the Senate floor involving not just the minimum wage, but also the proposal by Senate Majority Leader Robert Dole (R-Ka) to temporarily repeal the 4.3 cent per gallon federal gas tax.

The engine the leadership hope will pull this train is the Small Business Job Protection Act. The House Ways and Means Committee last week voted 33-3 to pass this underlying bill, HR 3448, to provide new small business tax breaks, an extension and redefinition of the expired exclusion for employer-provided education assistance and targeted jobs tax credits, and proposals to eliminate some of the restrictions on state and local retirement programs.

The bill would: ★Extend, retroactive to January 1, 1995, the exclusion for employer-provided educational assistance, but restrict it to undergraduate assistance after January 1, 1996. The extension would be through January 1, 1998 and would mean employees would not have to include education assistance received from cities or other employers as income for tax purposes. The bill would set up expedited procedures for employees who had such funds withheld and a waiver of penalties and interest for cities or other employers who failed to withhold;
★ Extend the expired targeted jobs tax credit program, but replace it with the "work opportunity tax credit," effective July 1, 1996 for one year. Under the revised program, employers would receive credit generally equal to 35 percent of wages for six potential groups: vocational rehabilitation, high-risk youth, qualified ex-felons, qualified summer youth, AFDC, or qualified veterans; ★ Amend retirement program nondiscrimination provisions by redefining "highly compensated employees" and eliminating the family aggregation rules, effective January 1, 1997; ★ Amend the limits on contributions and benefits under governmental 415 benefit plans to permit states and local governments to maintain excess benefit plans without regard to the limits on unfunded deferred compensation arrangements of states and local governments; ★ Amend the treatment of municipal and state deferred compensation plans (Section 457) to make them more flexible and index them, and to put amounts deferred under such plans in trust for the exclusive benefit of state or local employees. The bill includes a number of changes to phase out existing tax breaks to offset the $7 billion in costs of the new, small business tax benefits. The greatest savings, nearly $5 billion, would come from phasing out a tax break for pharmaceutical and other companies with plants in Puerto Rico and other

U.S. territories.

ACTION: Urge support for the extensions and the proposed changes in municipal retirement programs.

IMMIGRATION: The Senate appointed conferees to meet with the House on immigration legislation that could impose tens of millions of dollars in new unfunded federal mandates on State and local governments. The unfunded mandates would impact states and local governments with respect to employment eligibility, benefit eligibility, most specifically dealing with new "deeming" requirements, and materials and processes regarding the issuance of drivers' licenses and birth certificates. The House has not named conferees yet, nor set a date for the conference to begin.

Under the Senate version, state and local governments would be mandated to print Social Security numbers on drivers' licenses and other identification documents, and the issuing state or local agency would be required to verify the number prior to issuance. These provisions raise sensitive public policy issues. Some state laws expressly prohibit the use of Social Security numbers as an identification on such documents.

State and local governments that issue birth certificates would be required to use tamper- and counterfeit-resistant paper. The cost of compliance with both provisions has been estimated at $200 million by the Congressional Budget Office (CBO).

The bill establishes new "deeming" requirements for all federal means-tested programs. Deeming is the process of determine the adequacy of the sponsor's and spouse's income for determining eligibility for public benefits. To implement this mandate, states and local governments that administer these 40-plus programs must verify citizenship status, immigration status, sponsorship status, and length of time in the U.S. in each eligibility determination. State and local governments would also be required to implement and maintain data information systems and complicated administrative procedures for all these programs.

ACTION: Municipal elected officials should contact their delegations to urge them to support efforts in any House-Senate conference to reduce the scope of the deeming provisions and administrative requirements. There should be a full unfunded mandates analysis of the impact of any final agreement on state and local governments.

OSHA: The House Economic Opportunities Committee is set to markup H.R. 3234, the "Small Business OSHA Relief Act of 1996," on Wednesday, May 22, 1996. Currently, the bill does not include any provisions to extend OSHA to state and local governments. However, such an amendment was added during markup to the Senate's OSHA reform bill last March. Therefore, we do NOT want an amendment extending OSHA to state and local governments introduced during markup in the House; and, if introduced, we want strong opposition to the amendment, so it will not pass.

ACTION: Please contact the members of the House Economic Opportunities Committee to express your opposition of the extension of OSHA to state and local governments. If you need more information or the name of a member's staff person, please contact Laurie Saroff at (202) 626-3020.

JOB TRAINING: Staff of the House and Senate Conferees to the Careers Act (H.R. 1617, S. 143) have been meeting to work out differences between the respective bills. The first meeting of the House/Senate Conferees has not occurred. The Careers Act would consolidate 100 education and training programs into a workforce development system block grant.

Of particular concern to NLC is a staff proposal that would greatly reduce local elected officials role in the appointment of workforce development boards. Under the proposal, city elected officials would lose the authority to review and approve local operating, training and employment budgets. Local workforce development boards might lose authority over funding and contracting decisions.

If the conferees adopt this proposal, the control of local workforce development boards would be left to the governors. Local elected officials would only be left with an advisory role.

ACTION: Municipal elected officials should contact their respective conferees and urge them to maintain local elected officials role in the appointment of workforce development boards.

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UPDATE

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FAX. 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

May 16, 1996

Representative Peter Blute
U.S. House of Representatives
2210 Rayburn
House Office Building
Washington, DC 20515

Dear Representative Blute:

I am writing to express my opposition to certain provisions in the proposed Workforce Development Consolidation legislation that will be addressed next week in Conference Committee. There are provisions in HR 1617, the "Careers" Act that would eliminate the oversight authority currently given to chief local government officials. The existing public-private partnership between local government and private industry needs to be preserved and enhanced in the new legislation and not diminished.

The role that the chief local government officials currently play in reviewing and approving local employment and training plans and budgets is an important one. Federal changes are clearly necessary to ensure that publicly funded employment and training programs are effectively meeting the needs of residents and businesses. But the determination of local needs, and of how to meet them, must continue to be done by the local public-private partnerships. The substitution of state review in place of the local government role is not consistent with the goals of the federal legislation.

In Cambridge, the City both funds significant workforce development activities for youth and adults and coordinates a strong network of private programs. Ensuring the integration of workforce development activities with the school system is critical to every community, and must be done primarily at the local level.

Thank you very much for your help. I hope that you will be able to work to change the legislation to restore the important role of local government to make effective the public-private effort.

Very truly yours,

Robert W. Healy
City Manager

CCM-101

City of Cambridge

74.

IN CITY COUNCIL

May 20, 1996

COUNCILLOR DAVIS

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RESOLVED: That the City Clerk forward this resolution to the Massachusetts Congressional Delegation.

In City Council May 20, 1996
Adopted by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:- D. Margaret Drury

D. Margaret Drury
City Clerk

CCM-101

City of Cambridge

74.

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A true copy;

ATTEST:-

D. Margaret Drury
City Clerk

Consent Order #74

5-291

Councillor Davis re: Urge House opposition to tax imposition of federal OSHA mandates on state and local government.

In City Council May 20, 1996

Order Adopted