

Y4
.P 84/10
94-3

1022

AMENDMENTS TO THE INTERGOVERNMENTAL
PERSONNEL ACT OF 1970

GOVERNMENT

Storage

MENTS

5 1975

HEARINGS

THE LIBRARY
KANSAS UNIVERSITY

BEFORE THE

SUBCOMMITTEE ON

EMPLOYEE POLITICAL RIGHTS AND

INTERGOVERNMENTAL PROGRAMS

OF THE

COMMITTEE ON

POST OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 4415

A BILL TO AMEND THE INTERGOVERNMENTAL PERSON-
NEL ACT OF 1970 TO PROVIDE MORE EFFECTIVE MEANS
TO IMPROVE PERSONNEL ADMINISTRATION IN STATE AND
LOCAL GOVERNMENTS; TO CORRECT CERTAIN INEQUITIES
IN THE LAW; AND TO EXTEND COVERAGE UNDER THE
LAW TO THE TRUST TERRITORY OF THE PACIFIC ISLANDS

MARCH 4, 5, 1975

Serial No 94-3

Printed for the use of the
Committee on Post Office and Civil Service



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1975

49-280

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

DAVID N. HENDERSON, North Carolina, *Chairman*

MORRIS K. UDALL, Arizona, *Vice Chairman*

DOMINICK V. DANIELS, New Jersey
ROBERT N. C. NIX, Pennsylvania
JAMES M. HANLEY, New York
CHARLES H. WILSON, California
RICHARD C. WHITE, Texas
WILLIAM D. FORD, Michigan
WILLIAM (BILL) CLAY, Missouri
PATRICIA SCHROEDER, Colorado
WILLIAM LEHMAN, Florida
GLADYS N. SPELLMAN, Maryland
STEPHEN L. NEAL, North Carolina
HERBERT E. HARRIS, Virginia
WILLIAM M. BRODHEAD, Michigan
PAUL SIMON, Illinois
NORMAN Y. MINETA, California
JOHN W. JENNETTE, Jr., South Carolina
STEPHEN J. SOLARZ, New York

EDWARD J. DERWINSKI, Illinois
ALBERT W. JOHNSON, Pennsylvania
JOHN H. ROUSSELOT, California
ANDREW J. HINSHAW, California
JAMES M. COLLINS, Texas
GENE TAYLOR, Missouri
BENJAMIN A. GILMAN, New York
ROBIN L. BEARD, Tennessee
TRENT LOTT, Mississippi

JOHN H. MARTINY, *Chief Counsel*

VICTOR C. SMIROLDI, *Staff Director and Counsel*

THEODORE J. KAZY, *Associate Staff Director*

ROBERT E. LOCKHART, *Counsel*

ROY C. MESKER, *Senior Staff Assistant*

SUBCOMMITTEE ON EMPLOYEE POLITICAL RIGHTS AND INTERGOVERNMENTAL
PROGRAMS

WILLIAM (BILL) CLAY, Missouri, *Chairman*

GLADYS N. SPELLMAN, Maryland
STEPHEN J. SOLARZ, New York
CHARLES H. WILSON, California
HERBERT E. HARRIS, Virginia
PATRICIA SCHROEDER, Colorado

JAMES M. COLLINS, Texas
JOHN H. ROUSSELOT, California

Ex Officio Voting Members

DAVID N. HENDERSON, North Carolina

EDWARD J. DERWINSKI, Illinois

LLOYD A. JOHNSON, *Subcommittee Staff Director*, Room 603, HOB Annex—Ext. 59124

CONTENTS

Testimony of—	Page
Benninghoven, Donald, executive director, League of California Cities, National League of Cities.....	76
Berlin, Seymour, executive director, American Society for Public Administration, accompanied by Thomas Parker.....	89
Galeotos, Lee, presented by James Martin, National Governors' Con- ference.....	72
McCart, John A., acting executive director, Public Employee Depart- ment, AFL-CIO.....	96
Morrissey, John T., Sr., North Carolina Association of County Commis- sioners, National Association of Counties.....	69
Ogdahl, Harmon, State senator of Minnesota, National Conference of State Legislatures.....	67
Robertson, Joseph M., director, Bureau of Intergovernmental Person- nel Programs, U.S. Civil Service Commission, accompanied by Richard Leverone, Director, Office of Evaluation and Program Man- agement; Allan Heuerman, Associate Director for Grants Adminis- tration; Douglas I. McIntyre, Associate Director for Personnel Management Assistance; and Andrew Boesel, Director, Office of Faculty Fellows and Personnel Mobility.....	13
Webber, Clyde, national president, American Federation of Govern- ment Employees.....	110
Welsh, William, executive director for legislation and political edu- cation, American Federation of State, County, and Municipal Em- ployees, accompanied by T. Michael Kerr, legislative representative..	47
Communications received from—	
Baroni, Geno, president, the National Center for Urban Ethnic Affairs, letter dated March 3, 1975.....	103
Fletcher, Thomas W., chairman, Standing Committee on Education for Public Administration, National Academy of Public Administration, letter dated March 6, 1975.....	110
Hampton, Hon. Robert E., chairman, U.S. Civil Service Commission, letter dated March 18, 1975, expressing the Commission's views on certain proposed amendments to the Intergovernmental Personnel Act.....	114
Keane, Mark E., executive director, International City Management Association, letter dated March 12, 1975.....	110
Lucey, Hon. Patrick J., Governor, State of Wisconsin, letter dated March 14, 1975.....	113
MacKenzie, John R., president, University and College Labor Educa- tion Association, letter dated March 10, 1975.....	111
Merelman, Jack M., Washington representative, County Supervisors Association, letter dated March 13, 1975.....	113
Poston, Mrs. Ersal H., president, International Personnel Management Association, letter dated March 7, with attached statement by the association.....	100
Pritchard, Allen E., executive vice president, National League of Cities, letter dated March 13, 1975.....	87
Additional material included—	
Summary of legislative recommendations that were suggested to the subcommittee during the hearings.....	v
An administration report from the Civil Service Commission accom- panying proposed legislation to amend the Intergovernmental Per- sonnel Act of 1970, dated February 28, 1975.....	3

IV

	Page
Section analysis on the bill H.R. 4415.....	5
Statement of purpose and justification accompanying the bill, H.R. 4415	6
Cost implications of the bill, H.R. 4415.....	8
Subcommittee paper on the Intergovernmental Personnel Act of 1970 (Public Law 91-648).....	10
Subcommittee paper: Summary of proposed administration amendments to the Intergovernmental Personnel Act.....	12
Listing of IPP regional staffing patterns, by occupation and grade.....	42
List of State, local, and academic personnel on detail to the Federal Government earning in excess of \$36,000.....	44
List of IPA grant projects involving cost savings.....	44
List of IPA grant projects for training.....	45
Copy of H.R. 4415, subject of review by the subcommittee.....	105
Interim guidelines on the participation of labor representatives in IPA funded training programs.....	115
Revenue sharing and IPA assistance.....	117
Intergovernmental Personnel Act of 1970, a summary prepared for the record, showing how the Civil Service Commission is carrying out the provisions of the act.....	120

SUMMARY OF LEGISLATIVE RECOMMENDATIONS

U.S. Civil Service Commission

1. Maintain the Federal matching share for grant programs at 75 percent for an additional 3 years.
2. Increase the Federal share of Government Service Fellowships from 25 percent to 75 percent of employees' salaries.
3. Extend coverage of the IPA programs to include Trust Territories of the Pacific.
4. Provide for certain "technical" and "conforming" changes in the mobility provisions of the IPA.
5. Include U.S. territories and possessions under the formula grant provisions, rather than the discretionary provisions of the IPA.

American Federation of State, County, and Municipal Employees

1. Authorize public employee organizations to apply directly to CSC for training grants without requiring the approval of State or local governments.
2. Add to the findings and purposes of the IPA by including public employee unions; recognizing their role in effective personnel administration.
3. Support the extension of existing matching formula for IPA grant programs and an increase in appropriations; *Provided that* public employee unions may apply directly to CSC for training grants.

National Association of Counties

1. Firm support for the administration's proposals for amending the IPA.
2. Support for the principle of public employee unions applying directly to CSC for training grants.

National Conference of State Legislatures

1. Endorsed administration proposals for IPA.
2. Authorize State offices to administer State plan "in accordance with State law," sections 202(b) (1) and 203(c).
3. Grants should "encourage", not "establish" or "strengthen" merit systems 202(b) (5).
4. Assist State legislatures by enabling them to apply directly to the IPA for training funds.

National League of Cities

1. Support for administration proposals.
2. Opposed AFSME-sponsored amendments on the grounds that they are inconsistent with the purposes of the IPA.

National Governors' Conference

1. Endorsement of amendments offered by the administration.
2. Authorization for conference, National League of Cities, National Association of Counties, and other similar groups to be eligible to participate in mobility provisions of the IPA.
3. Opposed to the IPA amendments sponsored by AFSME on the grounds that there is insufficient evidence of need.

American Society for Public Administration

1. Supported the administration proposals.
2. Urged that evaluation of program be conducted by an outside organization, in addition to the plans of the CSC.

Public Employee Department of AFL-CIO

1. Endorsed the proposals which were offered by the administration.
2. Endorsed the principle that public employee unions should be permitted to apply directly to CSC for training grants.

International Personnel Management Association

1. Extension of existing Federal matching level of 75 percent for IPA grant programs.
2. Removal of prohibition of carrying over unexpended IPA funds from 1 fiscal year into the next.
3. Increase of Federal share of employees' salaries to 75 percent for Government Service Fellowships.

New Mexico Municipal League

1. Support for amendments to the IPA which have been offered by the administration.
2. Add another merit principle to insure greater participation of employee organizations in personnel administration.
3. Endorsement of amendments providing for direct application of training grants by public employee unions and recognizing their role to participate in the formulation and implementation of personnel policies and administration.

AMENDMENTS TO THE INTERGOVERNMENTAL PERSONNEL ACT OF 1970

TUESDAY, MARCH 4, 1975

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON EMPLOYEE POLITICAL RIGHTS,
AND INTERGOVERNMENTAL PROGRAMS,
Washington, D.C.

The subcommittee met at 10:05 a.m. in room 311, Cannon House Office Building, Hon. William Clay (chairman of the subcommittee) presiding.

Present: Representatives William Clay, James M. Collins of Texas, Herbert E. Harris, Patricia Schroeder, and Charles H. Wilson.

Staff: Lloyd A. Johnson, subcommittee staff director; Ms. Gail Weiss, staff assistant; Robert Lockhart, committee counsel; and Anthony Raymond, minority staff assistant.

OPENING STATEMENT BY CHAIRMAN WILLIAM CLAY

Mr. CLAY. The hearing of the Subcommittee on Employee Political Rights and Intergovernmental Programs will come to order.

This morning we had scheduled representatives of four organizations to testify. However, we find that the American Federation of State, County, and Municipal Employees representatives have a conflict in schedule and are presently testifying before a Senate committee, and we have postponed their appearance until tomorrow morning.

The city of New York, Department of Personnel representative is ill and cannot be with us this morning.

And from the National Civil Service League, Mr. Daniel Price won't be able to make it this morning, either.

This morning's hearings will be on the program effectiveness and the merits of the administration's legislative proposals for the Intergovernmental Personnel Act of 1970. The program is administered by the U.S. Civil Service Commission and aims to strengthen the personnel and management and administration systems of States and localities through a partnership arrangement with the Federal Government.

The IPA grew out of the administration's concern for implementing its policy of New Federalism. It recognized that increasing demands being made upon States and localities made their personnel systems ill-equipped to meet the demands of the 1970's. The solutions to these problems, of course, rest with State and local governments. Yet their limited resources makes it in the national interest for the Federal

Government to assist them in devising answers to these pressing problems.

The IPA of 1970 contains among its major provisions:

A mobility program in which States, localities, and universities and the Federal Government temporarily assign and exchange programs with one another;

A grant program through which States and localities are assisted in strengthening their personnel systems;

Technical assistance to States and localities by the Civil Service Commission;

Cooperative activities in recruitment, examination, training, and the establishment of personnel merit standards; and

Government Service Fellowships which provide further educational training for selected personnel administrators.

Responsibility for the legislative oversight of the IPA has only recently been transferred to this subcommittee. The enabling authorization is open-ended and "for such sums as may be necessary." It is my hope that my colleagues share the conviction that it is essential for the Congress to assume its proper responsibility in more actively exercising its oversight responsibilities. Accordingly, these hearings should be considered preliminary in that regard. I anticipate that more extensive public oversight hearings will be conducted by the subcommittee later this year.

The public announcement of these hearings indicated that they would focus upon proposals made by the administration during the second session of the 93d Congress. Only last Friday evening the administration proposed to the Speaker almost identical legislation for consideration during the current Congress. Although these proposals have not yet been formally introduced in the House, these hearings will focus upon those proposals which suggest the following:

Maintaining the Federal share of the IPA grant program at 75 percent instead of permitting it to decrease to 50 percent on July 1, 1975;

Increasing the Federal share of the Government Service Fellowships to 75 percent, from the existing 25 percent of the employee's salary;

Including the Trust Territories of the Pacific among those localities which are eligible for participation in the IPA program;

Covering the U.S. Territories and Possessions under the grant formula allocation provisions of the IPA; and

Certain modifications in the provisions of the mobility program.

Because there are other pressing legislative priorities which this subcommittee has indicated it wishes to consider, it is my hope that we will be able to conduct a markup session on this legislation shortly, or as soon as next week.

The Chair has received a copy of the administration's legislative proposal, a section analysis, and a statement of purpose and justification. In addition, the staff has requested and received from the Civil Service Commission a statement of the cost implications of the proposed legislation.

Without objection, these documents will be inserted into the record at this point, along with the subcommittee paper detailing the pro-

visions of the Intergovernmental Personnel Act of 1970, and showing the proposed administration amendments.

[The documents referred to follow:]

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., February 28, 1975.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The Commission is resubmitting for the consideration of the Congress proposed legislation "To amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to the Trust Territory of the Pacific Islands." There are enclosed: (1) a draft bill; (2) a section analysis of the proposed bill; and (3) a statement of purpose and justification.

The proposed bill would continue for three more fiscal years, to October 1, 1978 (conforming to the revised fiscal year) the Commission's authority to make grants for up to 75 percent of the costs of programs and projects to improve personnel administration in State and local governments. Under the current law, the Federal share will be reduced to 50 percent on July 1, 1975.

Also, this bill would authorize reimbursements to State and local governments, Indian tribes and Trust Territories for up to 75 percent of the salary of a recipient of a Government Service Fellowship. Currently, such reimbursements may not exceed 25 percent of the recipient's salary. This feature of the IPA has been used very little, primarily because it is a financial burden which State and local governments are reluctant to absorb. Increasing the Federal share to 75 percent was recommended by the Advisory Council on Intergovernmental Personnel Policy in its January 1973 report to the President and the Congress. In addition, this bill would establish an obligated service requirement for Government Service Fellowship recipients equal to the length of the Fellowship.

The legislative proposal also includes several amendments to the IPA mobility provisions. These amendments, for the purpose of providing greater flexibility and assuring fairness and equity, are discussed in the four paragraphs which follow.

The IPA does not exempt Federal employees from Federal conflict of interest statutes while they are on mobility assignments. This has become a real problem in some cases. At issue is the possible conflict of interest in cases where the Federal employee would act on behalf of a State or local government in representations before a Federal agency. To prohibit such assignments would be an unfortunate and unnecessary limitation on the intergovernmental mobility program. It is in such positions that a Federal employee can probably make the greatest contribution to improved public services and better intergovernmental relations. Therefore, the IPA should be amended to permit a Federal mobility assignee to act on behalf of the organization to which assigned on matters pending before a Federal agency, other than his employing agency. The only exemption from these statutes is that provided under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) to Federal employees on mobility assignments to Indian tribes.

State employees in Cooperative Extension work and employees of the District of Columbia are entitled to Federal employee benefits (e.g., retirement, health insurance, etc.) even though they are not Federal employees. However, if they are temporarily appointed to Federal service on mobility assignments, they forfeit those benefits while so serving. The legislative proposal prevents forfeiture in such cases.

Another proposed amendment to the mobility provisions would permit agencies to supplement the pay of some State and local government employees assigned to Federal positions, to bring this pay in line with Federal compensation for work of equal responsibility. State and local employees may be assigned to Federal agencies on a leave without pay basis (LWOP) or on detail from their jurisdiction. In some jurisdictions, LWOP jeopardizes tenure and other employee rights, and only the detail process is feasible. Detailed employees continue to receive their salaries, however, directly from their jurisdiction. These salaries are usually different from the salaries received by assignees on LWOP,

who receive Federal appointments and are paid according to Federal pay schedules. This proposed change would permit State and local employees doing work of equal responsibility on mobility assignments to be paid the same, irrespective of employment practices in their jurisdictions.

There has been some question as to whether Federal agencies may reimburse a state or local government for the costs of various fringe benefits (e.g., retirement and life and health insurance benefits) for State and local employees detailed to Federal agencies. The proposed amendment would incorporate into the IPA, as law, the determination of the Comptroller General (Decision B-157936, dated September 16, 1974) that such reimbursements for fringe benefits may be made to State and local governments.

The legislative proposal would also include the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds (80 percent of appropriated grant funds). The current law defines "States" for the purpose of allocating formula grant funds as "the several States of the United States and the District of Columbia." As a result, awards to Puerto Rico, Guam, and American Samoa and the Virgin Islands have come from the 20 percent (discretionary) allocation of grant funds. Including these jurisdictions in the allocation of formula funds simply recognizes that they should be entitled to the same guarantee of formula funds as are the States and the District of Columbia. The provision would also release the discretionary funds now used for these jurisdictions for truly discretionary distribution.

Finally, the proposed bill would provide, for the first time, full coverage under the Intergovernmental Personnel Act to the Trust Territory of the Pacific Islands, enabling this governmental entity to obtain benefits which are now only available to State and local governments, territories and possessions of the United States, and Indian tribes. These benefits include: grants-in-aid to strengthen personnel management systems and to train employees; direct participation in Federal training programs; comprehensive technical assistance to strengthen personnel systems; and participation in intergovernmental mobility assignments.

The IPA program has now been in effect for four years, and we believe it would be desirable to evaluate its impact and effectiveness. Accordingly, we are undertaking, with funds provided in our fiscal year 1976 budget, an evaluation of all aspects of the program, including a review of matching fund requirements. This study may suggest further changes which we may recommend to Congress next year. The amendments proposed in the attached draft bill will, however, provide for improvements we believe are needed now.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this proposal.

A similar letter is being sent to the President of the Senate.

By direction of the Commission:

Sincerely yours,

ROBERT E. HAMPTON, *Chairman.*

Enclosures.

A BILL To amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to the Trust Territory of the Pacific Islands.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Intergovernmental Personnel Act of 1970 (84 Stat. 1909-1929) is amended as follows:

(1) Section 202(a), section 203(a), section 303(a), and section 304(a), relating to grants to State and local governments and other organizations, are amended by striking out "after the expiration of three years following the effective date of the grant provisions of this Act" and substituting therefor "on and after October 1, 1978".

(2) Section 305, relating to Government Service Fellowships, is amended—
(A) by striking out from paragraph (2) of subsection (a) "one-fourth", and inserting "75 per centum" in place thereof;

(B) by renumbering paragraph (3) of subsection (c) as paragraph (4) and deleting therefrom the words "and continuation";

(C) by striking the word "end" at the end of paragraph (2) of subsection (c); and

(D) by inserting in subsection (c) a new paragraph (3) as follows:

"(3) require, as a condition for the award of such fellowships, that the recipients enter into a written agreement, enforceable by the government concerned, to serve with such jurisdiction upon the completion of the fellowship, for a period equal to the length of the fellowship. Such agreement shall provide that in the event the recipient fails (except for good and sufficient reason, as determined by the jurisdiction concerned) to carry out such agreement, he shall be liable for payment of all expenses (excluding salary) of such fellowship. Any amount for which a recipient becomes liable shall be paid to the jurisdiction concerned within the three-year period beginning on the date he becomes so liable; and shall be available for use by such jurisdiction for advanced education of its employees; and";

(3) Section 502, relating to the definitions of eligible jurisdictions, is amended by inserting in paragraph (3) "the Trust Territory of the Pacific Islands," immediately before "and a territory or possession of the United States,";

(4) Section 506, relating to the distribution of grants, is amended by striking out of section 506(b) (5) "and the District of Columbia," and by inserting in place thereof: ", the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands,"

Sec. 2, Title 5, United States Code, is amended as follows:

(1) Section 3371, relating to definitions of eligible jurisdictions for the purpose of intergovernmental mobility assignments, is amended by inserting "the Trust Territory of the Pacific Islands," after "Puerto Rico," in paragraph (1);

(2) Section 3373, relating to the assignment of Federal employees to State and local governments, is amended by adding the following at the end thereof:

"(e) Notwithstanding the provisions of section 203 and 205 of title 18, an employee of an executive agency assigned under this subchapter to a State or local government or institution of higher education may act as an agent or attorney on behalf of that State or local government or institution of higher education before any other agency, other than his employing agency or an agency with which he was employed during the one year period previous to his assignment under this subchapter, in connection with a proceeding, application, contract, claim, or controversy in which the United States is a party or has a direct and substantial interest.";

(3) Section 3374, relating to assignments of employees from State or local governments, is amended—

(A) by adding the following flush sentence at the end of subsection (b): "However, the above exceptions are not applicable to employees who are subject to coverage under chapters 83, 87 and 89 of this title by virtue of employment immediately prior to assignment and appointment under this section";

(B) by striking out the semicolon at the end of paragraph (1) of subsection (c), and by adding the following: "except to the extent that the pay received from the State or local government is less than the appropriate rate of pay which the duties would warrant under the provisions of chapter 51 and subchapter III of chapter 53 of this title, or other applicable authority;" and

(C) by striking out the period at the end of subsection (c) and adding the following: "; or for the contributions of the employer, or a part thereof, to employee benefit systems.";

(4) Section 3375 (a), relating to the travel expenses of a Federal, State, or local government employee while on a mobility assignment, is amended by striking out "and" after paragraph (4); renumbering paragraph (5) as paragraph "(6)" and inserting the following:

"(5) Section 5724a(b) of this title for miscellaneous expenses related to change of station where movement or storage of household goods is involved; and"

Sec. 3. The amendments made by this Act shall take effect after the 90th day following its enactment or any earlier date following the date of enactment that the Commission may prescribe.

SECTION ANALYSIS

Paragraph 1 of section 1 continues for three more fiscal years, to October 1, 1978, the Commission's authority to make grants to State and local governments and other organizations up to 75 percent of the costs of programs and projects to strengthen personnel administration in State and local governments and to

train and develop State and local government employees. Under the current law, the Federal share of such costs will be reduced to 50 percent by July 1, 1975.

Paragraph 2 of section 1 raises the limit on reimbursements to State and local governments for Government Service Fellowships from one-fourth (25%) to 75 percent of the salary of a recipient of a Government Service Fellowship, and establishes an obligated service requirement for recipients.

Paragraph 3 of section 1 defines the Trust Territory of the Pacific Islands as a jurisdiction which is eligible to participate in all of the IPA programs.

Paragraph 4 of section 1 includes the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds (80% of appropriated grant funds).

Paragraph 1 of section 2 defines the Trust Territory of the Pacific Islands as an eligible jurisdiction for the purpose of participating in intergovernmental mobility assignments.

Paragraph 2 of section 2 permits a Federal employee on a mobility assignment to act as the attorney or agent for a State or local government or institution of higher education in representations before another Federal agency, except his employing agency or an agency with which he was employed during the year prior to his assignment. Currently, conflict of interest statutes prohibit such representations by mobility assignees except for Federal employee mobility assignments to an Indian tribe which are authorized under provisions of the Indian Self-Discrimination and Education Assistance Act (PL 93-638).

Paragraph 3 of section 2 provides technical amendments to assure fairness and equity for persons participating in mobility assignments. If enacted, Federal retirement and other benefits, in the rare case where such programs apply to certain State and D.C. Government employees, would not be lost by such employees while they are on mobility assignments. Federal agencies would also be permitted to supplement the pay of State or local employees on detail to Federal agencies to assure comparability of pay with other State or local employees doing work of equal responsibility. Federal agencies would be authorized to reimburse State and local governments and institutions of higher education for various fringe benefit costs (e.g., health and life insurance, retirement, etc.) of employees on detail from such organizations.

Paragraph 4 of section 2 authorizes an executive agency to reimburse mobility assignees for certain miscellaneous relocation expenses related to a geographic move for purposes of a mobility assignment on the same basis such payments are authorized on a permanent change of station (e.g., automobile registrations, drivers' licenses, etc.).

Section 3 provides an effective date for these amendments of not later than 90 days after enactment or an earlier date after enactment if the Commission so decides.

STATEMENT OF PURPOSE AND JUSTIFICATION

PURPOSE

To provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to the Trust Territory of the Pacific Islands.

JUSTIFICATION

Section 202(a), 203(a), 303(a) and 304(a) of the Intergovernmental Personnel Act of 1970 provide that grants may be made for up to 75 percent of the costs of programs and projects for strengthening personnel administration in State and local governments and for training State and local government employees. Under the current law, the Federal share will be reduced to 50 percent on July 1, 1975.

The IPA program has now been in effect for four years, and we believe it would be desirable to evaluate its impact and effectiveness. Accordingly, we are undertaking, with funds provided in our FY 1976 budget, an evaluation of all aspects of the program, including a review of matching fund requirements. This study may suggest further changes which we may recommend to Congress next year.

At this time we are recommending the continuation for three more fiscal years, to October 1, 1978, (conforming to the revised fiscal year) of the present author-

ity to fund up to 75 percent of the costs of grant-aided programs and projects to provide continued inducements to State and local governments to give sufficient priority to improving personnel administration. The proposed amendments would authorize grants to State and local governments for up to 75 percent of the salary of recipients of Government Service Fellowships for State and local personnel. Currently, these grants may cover reimbursement to State and local governments not to exceed one-fourth (25 percent) of the salary of each fellow during the period of fellowship. We recommend raising this level to 75 percent. In addition, the amendments would establish an obligated service requirement for recipients of Government Service Fellowship grants, for the length of the Fellowship. This provision would assure State and local governments of a return on investment in these grants through benefiting from the service of grant recipients.

The Government Service Fellowship feature of the IPA has been used very little by State and local governments, primarily because it is a financial burden which State and local governments are unable or unwilling to absorb. The Advisory Council on Intergovernmental Personnel Policy, in its January 1973 report to the President and the Congress, recommended that the Federal portion of the funding for salary costs of Government Service Fellowships be increased to 75 percent. The Advisory Council also noted that "at no time, however, should the Federal Government assume the full cost of the program."

Next, the proposed amendments provide for several technical changes in the intergovernmental mobility provisions of the IPA. These amendments will provide greater flexibility to Federal, State and local agencies and help to assure fairness and equity for mobility assignees.

The Intergovernmental Personnel Act (U.S.C. 3371-3376) does not exempt Federal employees from Federal conflict of interest statutes (18 U.S.C. 203 and 205) while they are on mobility assignments. This has been a problem in some cases. At issue is the possible conflict of interest in cases where the Federal employee would act on behalf of a State or local government in representations before a Federal agency. Currently, conflict of interest statutes prohibit an employee from acting as an agent or attorney or in a representational capacity on behalf of a State or local government or an institution of higher education before any Federal agency. The only exemption from these statutes is that provided under the Indian Self-Determination and Education Assistance Act (PL 93-638) to Federal employees on mobility assignments to Indian tribes.

The law now prohibits a Federal mobility assignee from representing the organization to which assigned in matters pending before a Federal agency. We have proposed an amendment to the IPA which would allow a Federal mobility assignee to act on behalf of the organization to which assigned on matters pending before any Federal agency, other than his own agency or an agency in which he was employed during the preceding year.

To prohibit the temporary assignment of a Federal employee to a position involving representation duties would be an unfortunate and unnecessary limitation on the intergovernmental mobility program. It is in such a position that the Federal employee can probably make the greatest contributions in terms of improved public services and better intergovernmental cooperation. In addition, a mobility assignment to such a position would be an invaluable experience to the Federal employee, his employing agency, and the State or local jurisdiction. It would provide knowledge and insights into the complexities of intergovernmental relations which cannot be duplicated in any other setting.

We have also recommended amendment of 5 U.S.C. 3374(b) to prevent the potential loss of Federal employee benefits (e.g., retirement, health insurance, etc.) in the rare case where such benefits apply to non-Federal employment, by certain employees (Cooperative Extension Service employees in the States and employees of the District of Columbia) while they are on mobility assignments to Federal positions. Under current law these benefits would be lost, since Federal benefits do not apply to employees on mobility assignment, under temporary appointment to Federal agencies.

We have proposed a change in 5 U.S.C. 3374(c) (1) to permit agencies to supplement the pay of some State and local government employees assigned to Federal positions, to bring this pay in line with Federal pay for work of equal responsibility. State and local employees may be assigned to Federal agencies on a leave without pay basis (LWOP) or on detail from their jurisdiction. In some jurisdictions, LWOP jeopardizes tenure and other employee rights, and only the

detail process is feasible. Detailed employees continue to receive their salaries, however, directly from their jurisdiction. These salaries are usually different from the salaries received by assignees on LWOP, who receive Federal appointments and are paid according to Federal pay schedules.

This proposed change would permit State and local employees doing work of equal responsibility on mobility assignments to be paid the same, irrespective of employment practices in their jurisdictions.

We are also proposing an amendment to permit Federal agencies to reimburse State and local governments for costs of fringe benefits (e.g., health and life insurance, retirement, etc.) of employees on temporary details to Federal agencies. This is in line with a recent decision of the Comptroller General of the United States authorizing such reimbursements.

An additional amendment would permit the payment of miscellaneous expenses related to a geographic move for the purpose of a mobility assignment. These payments would be in line with expenses now paid by the Federal government in connection with permanent changes in duty stations. It would not include reimbursement for real estate fees. The incidental expenses, now provided in regulations on permanent changes of station, cover such costs as automobile registrations, drivers' licenses, and similar miscellaneous expenses. An employee who accepts an extended temporary assignment which involves obtaining a place of residence incurs these expenses. In fairness, he or she should be able to claim them.

The Intergovernmental Personnel Act does not provide for participation in any way by the Trust Territory of the Pacific Islands. Full coverage under the IPA is recommended to provide comparable benefits that are now available only to State and local governments, territories and possessions of the United States, and Indian tribes. By comparable benefits, we mean the opportunity for this government to fully participate in IPA grants, technical assistance, training and intergovernmental mobility. Such participation would enable the Trust Territory to improve its personnel resources and strengthen its system of personnel administration. IPA grants could be used by the Trust Territory of the Pacific Islands to establish or improve its personnel management system, and to train and develop employees to better plan and manage their own programs.

Finally, we propose amendment of the IPA to include the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds (80 percent of grant appropriations). Section 506(b)(5) of the IPA defines "State" for the purpose of allocating formula grant funds as "the several States of the United States and the District of Columbia." As a result, awards to the territories and possessions of the United States in FY 1973 (about \$330,000) and FY 1974 (about \$233,000) came from the allocation of discretionary grant funds (20 percent of the grants appropriations).

Our proposal to include these jurisdictions in the allocation of formula grant funds merely recognizes that they should be entitled to the same guarantee of formula funds as are the States and the District of Columbia. This amendment would also have the effect of releasing the discretionary funds now used to fund projects in these jurisdictions for truly discretionary distribution.

COST IMPLICATIONS OF PROPOSED AMENDMENTS TO THE IPA

SECTION ANALYSIS

Paragraph 1 of Section 1

Maintaining a 75%-25% division of costs as opposed to a 50%-50% division of costs would not have a discernible effect in reducing the costs for the grant program. See the attached discussion paper on "Some Cost and other Implications of Retaining the 75/25 Matching Share Provisions of the IPA." This amendment would have no impact on Commission costs for administering the grant program.

Paragraph 2 of Section 1

Increasing the percentage reimbursement for the Government Service Fellowships would not increase the amount of grants, even though the Federal share of the cost of Fellowships could rise (see attached discussion paper). Presently, State and local governments can use IPA grant funds for Government Service Fellowships. Increasing the Federal share of support for these fellowships will make it more attractive for State and local jurisdictions to take advantage of that

provision of the IPA. This amendment would have no impact on Commission costs for administering the grant program.

Paragraph 3 of Section 1

Making the Trust Territory of the Pacific Islands a jurisdiction eligible to participate in all of the IPA programs will not have a discernible effect on costs. Grant funds for these governmental units would be provided from whatever grant appropriation was available. The Commission's costs for administering grants to these jurisdictions would be relatively low, and would be covered by existing funds for administration.

Paragraph 4 of Section 1

Including the Commonwealth of Puerto Rico, Guam, American Samoa, and the Virgin Islands in the allocation of formula grant funds would not have a cost impact since discretionary funds are presently earmarked for these jurisdictions on an informal basis.

Paragraph 1 of Section 2

This change relating to eligibility for intergovernmental personnel mobility assignments, would not have an effect on costs.

Paragraph 2 of Section 2

Permitting a Federal employee on mobility assignment to act in a representational capacity for a State or local government, or institution of higher education before another Federal agency, other than his employing agency, would have no effect on costs.

Paragraph 3 and Paragraph 4 of Section 2

Both of these changes relate to paying certain benefits and travel costs for mobility assignees, and would have a slight impact on the costs of some individual mobility assignments. However, since the costs of mobility assignments are borne by the participating jurisdictions, there would be no cost implications in terms of Commission expenditures. It should also be kept in mind that mobility assignments are made to help improve program effectiveness through making better use of limited talent. The proposed amendments would remove impediments that presently discourage such assignments.

SOME COST AND OTHER IMPLICATIONS OF RETAINING THE 75/25 MATCHING SHARE PROVISIONS OF THE IPA

Our experience to date shows that there is a growing appreciation for the need for personnel management improvements and training on the part of State and local governments. All States are participating in the program to the full extent of their formula allocation and all funds have been applied for and awarded. Assuming a continuing increase in utilization of the IPA by State and local governments to strengthen their central management capability, retaining a 75/25 match ratio would not in itself affect IPA grant appropriation levels because all the funds available would be utilized.

In theory, it could be said that a 50/50 matching ratio would permit the grant appropriation to support a larger total program (e.g., a \$15 million appropriation could support a \$30 million effort under 50/50 funding, but only a \$20 million effort under 75/25). However, this "larger" program effort could well be more apparent than real because it could lead to increased use of in-kind and indirect or other overhead type costs to meet matching requirements. In many cases, the increased match would not amount to a larger cash investment by the jurisdiction, but merely "more imaginative bookkeeping." This could also increase the need for Federal grant administration efforts to audit total costs.

More important, the 50/50 ratio would have significant negative impact on the total IPA program by making it difficult for many jurisdictions to participate in the program, either because they actually cannot meet the matching requirement or because of political decisions not to invest available resources in such an expensive Federal program—this is particularly significant when the trend is toward reduced or no match requirements. Additionally, those jurisdictions which would have difficulties in coming up with sufficient matching funds would often

be the very ones most in need of financial support and management improvement assistance.

Under 75/25 matching, the IPA grant program is serving as a real incentive for jurisdictions to make an attempt to determine what their most important management improvement and training needs are. A change to 50/50 funding, however, could encourage jurisdictions to consider IPA projects for their ability to generate significant match (e.g., short-term training projects involving travel and tuition) rather than their ability to get at the most critical needs.

COST IMPLICATION OF IPA SUPPORTING 75% OF GOVERNMENT SERVICE FELLOWSHIP SALARY COSTS

Specific Example Comparing IPA Costs of a one-year fellowship under current law vs. proposed amendment.

Cost item	Total cost	Current maximum IPA share	Proposed maximum IPA share
1. Salary.....	\$12,500	\$3,125	\$9,375
2. Tuition and fees.....	2,650	2,650	2,650
3. Travel and expenses.....	1,100	1,100	1,100
Total.....	16,250	6,875	13,125

NOTES

(1) Currently IPA may pay a maximum of 25% of salary costs. Under proposed amendment IPA could pay a maximum of 75% of salary.

(2) For all other costs IPA may pay 100% of costs under both the current and revised proposals.

Impact of Change in Salary Match for an Individual Fellowship:

Increase of IPA share would be \$3,250 or 90%.

IPA's share of total cost would increase from 42% to 81%.

State and local share would decrease from 58% to 19%.

Impact of Change in Salary Match on Total Government Service Fellowship Program Cost for a year (based on above example):

Assume 15 fellowships per year at \$16,260.

Total cost of all fellowships would be \$243,750:

Maximum IPA share of costs under current law would be \$105,000 (42%).

Maximum IPA share of costs under proposed law would be \$200,000 (81%).

IPA costs would rise by a maximum of \$95,000 or 90% under the proposed changes (\$105,000 to \$200,000).

INTERGOVERNMENTAL PERSONNEL ACT OF 1970 (P.L. 91-648)

The Intergovernmental Personnel Act of 1970 (IPA) seeks to strengthen State and local governments through improved personnel administration and more efficient recruitment and training of personnel. It is the first comprehensive Federal aid program for improving and strengthening State and local personnel administration. It focuses upon the interchange of Federal, State and local employees; training programs; and personnel management.

PURPOSE

The IPA seeks to achieve the following ends:

(1) To achieve intergovernmental cooperation, through an advisory council, in the development of policies and standards for the administration and training;

(2) To authorize the Civil Service Commission (CSC) to make grants that would assist States and localities in improving their systems of personnel administration;

(3) To transfer to the CSC responsibility for establishing standards of merit systems for certain Federally-funded programs in which States and localities are engaged.

(4) To permit Federal agencies to admit State and local governmental officials and employees to Federal training programs.

(5) To authorize Federal agencies administering grant programs to States and localities to provide special training to State and local officials who have responsibilities related to those programs;

(6) To permit the CSC to make grants available to State and local governments and other groups to conduct approved training and fellowship programs;

(7) To authorize the CSC, in collaboration with State and local governments, to conduct cooperative recruitment and examining and to provide advice and technical assistance;

(8) To provide Congressional approval to interstate compacts which would improve personnel administration and training for State and local government employees;

(9) To permit the temporary exchange of personnel between the Federal governments and State and local governments; and

(10) To direct the CSC to coordinate Federal activities in providing training to States and localities.

BACKGROUND AND NEED FOR LEGISLATION

There was widespread agreement on the need for this legislation. Testimony and communications reflected deep concern that States and localities are subject to increasing demands for services which they are unable to meet without Federal assistance. Rapid population growth and urbanization are extending the responsibilities of States and local governments. In addition to their limited financial capabilities States and localities suffer from a shortage of qualified personnel to meet the responsibilities of modern-day management.

The needs of these governments are (1) merit personnel systems that would maximize their effective use of personnel; (2) training programs; (3) transferability of personnel among local, State and Federal governments; and (4) substantial Federal assistance in funding.

PRINCIPLE PROVISIONS

The IPA seeks to help the needs and problems of States and localities by authorizing the following activities:

(1) Intergovernmental cooperation in the development of policies and standards for the improvement of State and local personnel administration and training;

(2) Grants to States and localities to plan and improve their systems of personnel administration;

(3) Administration of Federal statutory provisions requiring merit personnel administration for State and local employees involved in certain Federally aided programs;

(4) Grants to local and State and other groups for developing and conducting approved training, fellowship and training programs for State and local government employees and officials;

(5) Cooperative recruitment and examining activities with States and localities;

(6) Advice and assistance to State and local governments for personnel administration;

(7) Coordination of Federal technical activities to provide assistance and training activities to States and local governments.

Title I of the law provides for intergovernmental cooperation in the development of policies and standards of programs authorized by the IPA through a Presidentially-appointed Advisory Council.

Title II aims to assist States and localities in strengthening their career staffs and to improve their systems of merit personnel administration. It authorizes the CSC to (a) furnish technical advice and assistance to States and localities; (b) make matching grants to assist in the development of personnel administration programs; (c) cooperate with States and localities in recruiting and examining activities; (d) coordinate Federal support and technical assistance

activities to State and local governments; and (e) administering Federal statutes requiring merit standards for certain Federally-assisted State and local programs.

Title III aims to strengthen the development and training of State and local employees and officials, particularly professional, technical and administrative personnel. It authorizes (a) matching grants to States, localities and other groups for developing and conducting approved training and educational activities; (b) grants in support of Government Service Fellowships; (c) reimbursement to Federal agencies for initial additional developmental and overhead costs for admitting State and local personnel to Federal training programs; (d) covering CSC training costs for admitting State and local employees to CSC's inter-agency training programs.

Title IV provides for the temporary assignment of personnel between Federal government and State and local governments and institutions of higher education.

Title V provides for the administration of the IPA and establishes certain advisory committees.

MAJOR ISSUES

(1) The bill was opened-ended in duration and amount. The CSC estimated annual budgetary requests of \$20 million and \$40 million thereafter.

(2) The allocation of costs was to be weighted to distribute 20% to States and localities by including a factor of program, and urgency 80% to be distributed to States without that factor. Within States, 80% was to be weighted to include, among other factors, State and local expenditures. At least 50% of monies within States was to pass through to localities.

(3) Federal share of cost sharing for Title II programs was to drop from 75% to 50% the third year following enactment of the law.

(4) Eligible grantees were defined as States, general local governments including the District of Columbia, Puerto Rico, territorial possessions, or a Federal interstate agency.

(5) maintenance of effort by States and localities was required.

(6) States were to be in a leadership, but not dominating, role in the processing of grants. Coordination and avoidance of duplicative program efforts were to be avoided.

Approved January 5, 1971.

LEGISLATIVE HISTORY

House Report No. 91-1733 (Committee on Education and Labor).

Senate Report No. 91-489 (Committee on Government Operations).

Congressional Record: Vol. 115 (1969): October 27, Considered and passed Senate. Vol. 116 (1970): December 21, Considered and passed House, amended. December 22, Senate concurred in House amendment.

SUMMARY OF PROPOSED ADMINISTRATION AMENDMENTS TO THE IPA

(1) Authorize Federal share of up to 75% of grant program costs for an additional three years, through October 1, 1978. Under present law, this share will be reduced to 50% on July 1, 1975.

(2) Authorize reimbursement to State and local governments of up to 75% of the salary of recipients of Government Service Fellowships. Currently, such reimbursements are limited to 25% of salary.

(3) Authorize greater flexibility and equity in IPA's mobility program by the following provisions:

(a) Exempt Federal employees from Federal conflict of interest statutes while on mobility assignments by permitting them to act on behalf of assigned agency before a Federal agency other than their employing Federal agency.

(b) Prevent forfeiture of Federal fringe benefits by State Cooperative Extension and District of Columbia employees while assigned to temporary Federal positions.

(c) Permit Federal agencies to supplement the pay of some State and local employees on temporary assignment, thereby bringing their pay in line with Federal compensation for work of equal responsibility.

(d) Authorize Federal agencies to reimburse State and local governments for the costs of various fringe benefits for some State and local employees detailed to Federal agencies.

(4) Exempt Government Service Fellowships from the formula grant appropriation and establish an obligated service requirement for these Fellowships.

(5) Provide full coverage of the IPA to the Trust Territory of the Pacific Islands.

Mr. CLAY. Mrs. Schroeder, do you have an opening statement?

Mrs. SCHROEDER. No, I don't.

Mr. CLAY. Mr. Harris?

Mr. HARRIS. No; Mr. Chairman, thank you very much.

Mr. CLAY. This morning we have with us, as the first witness, Mr. Joseph M. Robertson, who is the Director of the Bureau of Intergovernmental Personnel Programs of the U.S. Civil Service Commission.

Mr. Robertson, we have copies of your statement, and without objection it will be entered into the record as though it were read in full.

STATEMENT OF JOSEPH M. ROBERTSON, DIRECTOR, BUREAU OF INTERGOVERNMENTAL PERSONNEL PROGRAMS, U.S. CIVIL SERVICE COMMISSION, ACCOMPANIED BY RICHARD LEVERONE, DIRECTOR, OFFICE OF EVALUATION AND PROGRAM MANAGEMENT; ALLAN HEUERMAN, ASSOCIATE DIRECTOR FOR GRANTS; DOUGLAS I. McINTYRE, ASSOCIATE DIRECTOR FOR PERSONNEL MANAGEMENT ASSISTANCE; AND ANDREW BOESEL, DIRECTOR, OFFICE OF FACULTY FELLOWS AND PERSONNEL MOBILITY

Mr. ROBERTSON. First, I would like to say that I have with me this morning the people responsible for running the program in the U.S. Civil Service Commission.

On my left is Mr. Leverone, the Director of the Office of Evaluation and Program Management.

On my immediate left is Mr. Allan Heuerman, Associate Director for Grants Administration.

On my immediate right is Mr. Douglas I. McIntyre, Associate Director for Personnel Management Assistance.

And on my far right is Mr. Andrew Boesel, who is responsible for the Office of Faculty Fellows and Personnel Mobility.

Mr. Chairman and members of the subcommittee, I am glad to meet with you today to discuss the IPA. We are pleased to have this subcommittee assume a leadership role in advancing the Intergovernmental Personnel Act (IPA).

IPA programs of financial and technical assistance, talent sharing, and training to assist State and local governments to improve their central management capacity are in only their fourth year of operation. We have numerous indications that they are enjoying a high degree of acceptance among State and local government officials. For example, Governor Richard Kneip of South Dakota reported that—

In South Dakota the IPA program made it possible for us to establish a career civil service system several years before we would have hoped to accomplish such a change.

Former Kentucky Governor Wendell Ford referred to IPA funding as: "extremely beneficial in our efforts to modernize our personnel program."

Michigan Governor William Milliken reported that IPA funds—

Have permitted the development and implementation of invaluable training and personnel improvement projects, enabling employees and officials of State and local government to improve their services to the citizens of Michigan.

County Commissioner Ludvig Browman of Missoula County, Mont., in expressing his appreciation for the results of the IPA financial and technical assistance to the county, stated that—

The community benefits from these positive aspects of the program through increased awareness and productivity on the part of their county employees.

Mobility

Since May of 1971, more than 2,000 key employees and college faculty members have participated in the talent sharing or mobility provision of the act. All 50 States, 250 local governments, 200 colleges and universities, and 33 Federal agencies have made use of the provisions of the act permitting temporary assignments back and forth between Federal agencies and State and local governments and institutions of higher education.

Some examples of individual mobility assignments may provide a clearer picture of the use being made of this authority:

(1) Eddie McGloin, an employee of the Seattle office of the Department of Housing and Urban Development, has been assigned to the mayor's office in Detroit as an adviser on community development and housing programs.

(2) The Labor Department has assigned one of its employees, Joseph Rogers, to the mayor's office in Pittsburgh, Pa., to serve as Director of Manpower Planning.

(3) Mary Earnheart, one of our own Civil Service Commission employees, was assigned to the Texas House of Representatives to work with a subcommittee on personnel.

(4) Melvin Rousseau, an employee of the Department of Interior, was assigned to Northern State College in South Dakota to develop, staff, and direct a training program for Indian students. (Under the Indian Self-Determination and Education Assistance Act, Indian tribes and tribal organizations are now eligible to participate in the mobility program.)

(5) Grace Davis, an employee of the Department of Labor, was assigned to the mayor's office of the city of Los Angeles as Director of Human Resources to develop an areawide human-care-services plan.

(6) Raymond Urquhart, an AID employee, was assigned to Greenville County, S.C., as the county's first county executive.

(7) Henry Decker, a Department of Agriculture employee, went to South Dakota to serve as the State budget officer.

(8) Thomas Pavlak, an assistant professor at the University of Missouri, led a project team in evaluating HUD's compliance with the National Environmental Policy Act of 1969.

(9) Robert Bradford, an associate dean at the Alabama Agricultural and Mechanical University, served as Deputy Assistant Administrator of the Cooperative State Research Service at the Department of Agriculture.

(10) The Internal Revenue Service has assigned employees to nine States and Guam to help improve the effectiveness of State and local tax agencies. One of these assignees served as the first commissioner of New Hampshire's new Department of Revenue Administration.

Among the many State and local officials who have been complimentary of the mobility program, are a number of Governors and mayors: Governor Mike O'Callaghan of Nevada said—

I think the interchange of experience at different levels of government is very valuable for employee development in the public service.

Mayor Richard Lugar of Indianapolis indicated that—

If other cities are experiencing similar successes with personnel assigned to them under the auspices of the Intergovernmental Personnel Act, we should attempt to have more federal employees working with state and local government.

Grants

IPA grants are helping State and local governments strengthen their management capacity. For example:

(1) The California Legislature initiated a series of orientation sessions for newly elected State legislators with IPA grant funds. The series was so well received that the legislature decided to continue it with State financing.

(2) IPA funds helped set up similar training programs in Alaska, Illinois, Maryland, Minnesota, Montana, New Hampshire, and Washington. The program in Minnesota drew this comment by the State senate majority leader:

The Minnesota Horizons Seminar was not only a tremendous and innovative idea but also an extraordinary success in the way it was carried out. In my many years of involvement with both public and private informational programs, I have never participated in a more interesting, informative, and well-planned presentation. I continue to be impressed by the enthusiastic remarks of my fellow Senators. How you managed to uniformly please a group such as this is almost beyond comprehension.

(3) Following both the 1972 and 1974 gubernatorial elections, the National Governors' Conference used IPA funds to conduct orientation seminars for Governors-elect and their executive assistants. These programs consisted of presentations by present and former Governors on topics ranging from organizing a Governor's office to development of productive executive-legislative relations. The 1974 program also included on-site management assistance for the Governors. This program was praised by the Wall Street Journal.

(4) IPA funds helped set up coordinators in three States (New York, North Carolina, and Utah) to provide training and technical services to elected and appointed county officials. Two of these States (North Carolina and Utah) have continued these programs with their own funding. New York is expected to follow shortly. The success of this program in these three States attracted private foundation support (Lilly) to set up similar programs in Illinois, Indiana, and Ohio. This \$488,000 grant was the largest government-oriented grant made by the Lilly Foundation.

The fact that these three programs have been picked up and continued with local money is some indication that they were worthwhile efforts.

Some other examples of positive results include:

(1) In Kinloch, Mo., an IPA-trained finance director took actions which lowered delinquent city taxes and fees by over 10 percent and reduced the city's outstanding debt by more than 25 percent.

(2) In Fresno County, Calif., an IPA-funded occupational safety training project lowered the county accident rate thus saving the county over \$40,000 in lost employee time.

(3) In Indiana, State tax auditors who were trained in an IPA-sponsored course, increased the dollar amount of taxpayer error they found per audit by over 65 percent and increased the amount of new tax revenue they generated each month by over 48 percent.

(4) In San Francisco, employees trained to analyze city operations, identified improved work procedures which saved the city an estimated \$1.2 million on an annual basis.

(5) In Atlanta, Ga., an IPA-supported study of height requirements for police officers demonstrated that shorter persons can perform as police officers as well as taller persons can. This study was published in the Crime Control Digest and led to liberalization or elimination of height requirements in a number of jurisdictions across the country.

A few of the 1975 grants to national organizations may give you some insight into the way the IPA is addressing problems common to many jurisdictions:

(1) The National Center for Urban Ethnic Affairs is training top municipal personnel involved in the delivery of municipal services to develop the public services necessary to reverse the trend of deterioration in specific neighborhoods in Boston, Baltimore, and Toledo.

(2) Howard University's Joint Center for Political Studies is providing training to newly elected State and local officials to help them develop management, planning, and budgetary skills.

(3) The National Association of Counties is providing management development services to county elected and appointed officials.

(4) The Council of State Governments is developing a program for training State auditors in postaudit techniques for areas beyond traditional fiscal compliance auditing.

Technical assistance

We have made extensive use of the IPA provision authorizing the Commission to respond to requests from State and local governments for technical help in improving their personnel systems. This help took the form of technical advice and recommendations in most instances, but in some areas included project work in which we developed systems for the requesting governments. Before I continue, I want to call your attention to one particular part of Commission technical assistance policy. The Commission will not provide services that can be procured by State or local governments reasonably and expeditiously through ordinary business channels.

In fiscal year 1974 alone, Commission staff made nearly 11,000 recommendations for specific improvements in State and local personnel operations. More than 8,000 of those recommendations are at some stage of implementation.

Here are some specific examples of projects we have undertaken:

(1) The State of Massachusetts received extensive help in a major modernization of its State personnel function which also serves local government. One effect was expanded opportunity for the job-seeking public to compete for State and local government positions and reduced operating cost for the State.

(2) When Lancaster County, Nebr., asked for Commission help in implementing its new legislation for a central personnel system, we responded by developing a set of operating rules.

(3) Commission staff advised and assisted Erie County, N.Y., in the development of a manpower planning system.

(4) Charleston, W. Va., requested and received our help in centralizing its city personnel operations.

(5) In Missoula County, Mont., the county's efforts to develop a personnel policy manual and a classification and wage system under an IPA grant were supported by technical advice and assistance from the Commission.

In addition, the Commission entered into a contract with the Manpower Administration of the Department of Labor to help State and local governments meet the personnel requirements of the Comprehensive Employment and Training Act.

Cooperative recruiting and examining

The Commission has joined with State and local governments in cooperative recruiting and examining activities to provide one-stop service for job information on 39 State and local jurisdictions and one-stop examining for jobs in 24 jurisdictions. In addition to better service for the public, these centers reduce operating costs for the participating jurisdictions. The Mobile, Ala., Register and Press applauded the cooperative efforts of the county and the Civil Service Commission for the establishment of an Intergovernmental Job Information Center in Mobile.

Amendments

The IPA program has now been in effect for 4 years and we believe it would be desirable to evaluate its impact and effectiveness. Accordingly, we are undertaking with funds provided in our fiscal year 1976 budget, an evaluation of all aspects of the program, including a review of matching fund requirements. This study may suggest further changes which we may recommend to Congress next year.

However, our experience during the past 4 years has turned up a few problems with the IPA which changes in the law would improve. Most changes we are proposing this year are of a perfecting nature—to fill gaps in program coverage and to correct inequities. One proposed change would maintain the matching formula at 75-25 for 3 more years.

The legislative proposal to amend the IPA which your subcommittee is now considering incorporates the changes we consider necessary at this time. I will touch on the main points here.

Maintaining the cost-sharing ratio for grants

Titles II and III of the IPA authorize grants to State and local governments for personnel management improvement and training on a matching fund basis. The Federal share currently can be up to 75 percent, the State or local share at least 25 percent of the cost of a project. By July 1, 1975, under present law, the match will change to 50 percent Federal, 50 percent State or local. We believe continuation of the present formula is desirable to provide continued inducements to State and local governments to give sufficient priority to improving personnel administration.

Increasing Federal share for Government service fellowships

One of the possibly high potential features of the IPA is the authority in title III to support graduate-level fellowships to strengthen the capabilities of public administrators. So far only a very small number—maybe a couple dozen of these fellowships—have been

awarded, but the reports we have received on those awarded have been highly favorable. For example, the city manager of Port Arthur, Texas described his experience as: "perfectly designed for a city manager who needs to update his skills to do a better job for his community."

This feature of the IPA has been used very little, primarily because it is a financial burden which State and local governments are reluctant to absorb. Under the present provisions of the Act, grant funds can be used to pay all costs for tuition and books, and up to 25 percent of the employee's salary. This leaves State and local governments with having to pay 75 percent of the employee's salary, as well as the salary cost for a replacement during the period the employee is away. The President's Advisory Council on Intergovernmental Personnel Policy recognized this problem and in its January 1973 Report recommended that the Federal funding for fellowship salary costs be increased to 75 percent. This provision would insure State and local governments of a return investment in these grants through benefiting from the service of grant recipients.

It is our hope that increasing the Federal share for the employee's salary from 25 to a maximum of 75 percent would allow greater opportunity for State and local governments to use this potentially important tool for strengthening their management capabilities.

Extending IPA programs to the Trust Territory of the Pacific

None of the provisions of the IPA currently apply to the Trust Territory of the Pacific (the Mariana and Marshall Islands and the other islands of Micronesia, population 100,000 plus), although it is, to all intents and purposes, a governmental jurisdiction. Although the chief executive is appointed by the President, the Trust Territory has its own legislature. In fact, the legislature has taken the initial step to permit part of the Trust Territory, the Northern District of the Marianas, to affiliate permanently with the United States. Our proposed amendments would enable the Trust Territory to participate fully in IPA grants, technical assistance, training, and mobility. The Trust Territory government receives many of the same types of categorical grants that States do and has many of the same types of personnel administration and training problems as a result. The need for IPA assistance here is just as great as it is among currently eligible jurisdictions.

Technical and other changes in mobility title

Our proposal includes a series of amendments to other sections of the mobility title. They are basically technical in nature. One involves continuing entitlement to certain Federal benefits for the District of Columbia employees and State Cooperative Extension Service personnel. Even though they are State and local employees, they are by law under the Federal Retirement System and related benefit programs. Under existing law, if they accept a temporary appointment to a Federal position under the mobility provisions of the act, their participation in the Federal Retirement System and other benefit programs temporarily ceases. But, as temporary employees of the Federal Government, they are not eligible to participate in the retirement and benefit programs. So, during the length of their mobility assignments, they are not eligible for participation either way.

A second would permit Federal agencies to supplement the pay of a State or local employee detailed to a Federal agency to bring it into line with Federal pay for the same work. Currently, two State employees on mobility assignments doing the same work—perhaps even side by side—could be paid at different rates if one were on a detail and the other had taken leave from his State job and received a Federal appointment.

A third amendment would permit Federal agencies to pay the employer's share of State or local employee benefits for employees detailed to Federal agencies. Even though a recent ruling of the Comptroller General authorizes reimbursement for these benefits, we believe that it would be desirable to include this provision in the law itself. These three amendments would eliminate possible hardship to State and local employees.

A fourth proposed amendment concerns the application of Federal conflict of interest statutes to Federal employees while they are on mobility assignments. These laws now prohibit such employees from acting in a representational capacity on behalf of a State or local government before any Federal agency.

Our proposed amendment would exempt the Federal assignee from this prohibition when he appears before any but his own Federal agency. The Federal Government has extensive dealings with State and local governments, and vice versa. To totally prohibit a Federal employee from representing a State or local government he is temporarily serving is an unnecessary limitation which stands in the way of making full and appropriate use of the employee during his assignment.

A fifth amendment is needed because more than half of all assignees have had to move geographically beyond their commuting area. The Federal Government is now authorized to reimburse employees for miscellaneous expenses in connection with permanent changes in duty stations. Employees who are given extended temporary mobility assignment to other locations for more than just a few months (the average is 13 months), also incur the same kinds of expenses associated with moving and change of residence, that is, costs of automobile registration, drivers' licenses, utility hookups, et cetera. The proposed amendment would extend this miscellaneous expense authorization to cover mobility assignments. The GSA regulations authorize a maximum of \$200 for married couples.

Coverage of U.S. territories and possessions under grant formula allocations

Section 506(b) (5) of the IPA defines "State" for the purpose of allocating formula grant funds (accounting for 80 percent of grant appropriations) as the "several States of the United States and the District of Columbia." This means that grants to territories and possessions of the United States must come from the more limited discretionary funds which account for 20 percent of the total. We would like to see territories and possessions (Puerto Rico, the Virgin Islands, American Samoa, and Guam) brought under the formula grant provision.

Awards to the territories and possessions of the United States came to \$300,000 in fiscal year 1972 and fiscal year 1973, and \$233,000 in

fiscal year 1974. The fiscal year 1975 allocations for territories and possessions is \$330,000. Our proposal to include these jurisdictions in the allocation of formula grant funds merely recognizes that they should be entitled to the same guarantee of formula funds as are the States and the District of Columbia. This amendment would also have the effect of releasing the discretionary funds now used to fund projects in these jurisdictions for truly discretionary distribution.

We believe these proposed changes, taken together, would help improve administration of the IPA.

I cannot overestimate the importance of sound personnel management to effective Government performance, particularly at the State and local levels. The size of the State and local work force, excluding teachers, is almost three times the size of the Federal work force. The quality of this work force and how well it is managed can make a real difference in the quality of Government programs in this country.

SUMMARY

We are very glad to be here with this subcommittee this morning to consider the operation of the IPA, and possible improvements in the enabling legislation. This is a program that is relatively new. It is a nationwide program designed, as the chairman indicated, to help State and local units of government improve their management capacity through programs of financial and technical assistance and talent-sharing.

Chairman Clay indicated and outlined the main provisions of the act: Temporary interchange of employees grants to State and local units of government for training, for personnel management improvement, government service fellowships, and a number of other provisions.

This year marks only the fourth year of the operation of this act, and we have a number of indications cited in my statement that the program is enjoying a high degree of acceptance among State and local government officials. Nevertheless, our experience to date suggests some changes, largely of a perfecting nature, which we hope this Congress will take favorable action on as promptly as possible.

And the chairman outlined what these were.

We believe, Mr. Chairman, that these proposed amendments to the Intergovernmental Personnel Act will make possible a higher degree of success in its future than it has enjoyed in the past.

Mr. CLAY. Did anyone else want to make a statement before we get into the questions?

Mr. ROBERTSON. No, sir, I don't think so.

Mr. CLAY. In reading your prepared text, which was submitted to us late last week. I note that on page 10 you speak in terms of a problem that is caused by the matching funds, the 75-25, and then emphasize what would happen if the 75-percent was reduced to 50 percent.

You say that the President's Advisory Council on Intergovernmental Personnel Policy recognized this problem and, in its January 1973 report, recommended that the Federal funding for fellowship salary costs be increased to 75 percent.

The Advisory Council, before it was dissolved, issued two reports, as I understand, one in 1973 and one in 1974, with certain recommendations to improve the effectiveness of this program.

What steps have been taken so far to implement those recommendations?

Mr. ROBERTSON. Mr. Chairman, one of the major steps is the proposed legislation before the Congress at the moment. As you indicated in your statement, this is similar to the legislation that was introduced in the closing days of the last Congress. There were no hearings held last year because the legislation was introduced so late, and actually got to the Hill so late that there wasn't time for appropriate hearings.

That is one thing that was suggested.

Another thing that we have done as a result of the experience with that Advisory Council is that over a period of time we have beefed up our technical assistance to State and local units of government—nonreimbursable technical assistance, at their call. When they have problems in their personnel systems, we work with them in that connection.

We have emphasized one of the recommendations in the second report. It talked about renewed emphasis on training. We have given that emphasis this year in the meetings Chairman Hampton has annually with the Under Secretaries from the various departments, urging those departments of Government, when they conduct training either in Washington or in the field, to admit State and local government employees into that training if they are interested in availing themselves of that opportunity.

Another thing that we have done as a result of that first report is to initiate conversations with the Federal agencies where there are a number of personnel requirements in the various granting agencies that are laid on the State and local governments, to see if we can rationalize those and begin reducing some of those and bringing a little higher degree of uniformity into them.

Both the first report and the second report were printed by the Subcommittee on Intergovernmental Relations of the Senate Operations Committee, and we wrote an order for several thousand copies of these reports, and they have been distributed fairly widely so interested persons and interested groups could see this and take action or initiate action in connection with that.

Another thing we have done as a result of this report is that we have had a renewed interest in the area of equal employment opportunity and affirmative action plans with State and local governments. We began about 2 years ago requiring the development of affirmative action plans by the State and local governments involved in the grant-aided programs that we have oversight of through the merit system standards.

Those are some of the things we have done.

Mr. CLAY. Have you been effective in getting implementation of the affirmative action programs through the State and local agencies?

Mr. ROBERTSON. Mr. Chairman, we have made a beginning. I do not want to say to you for a moment that we have been sufficiently effective. There is progress that we need to make in the future, sir.

But this is the first time that we began with this requirement that an affirmative action plan must be submitted, a copy of it submitted to us for our review. Now we are working with them in an attempt to improve those plans, sir.

Mr. CLAY. In your statement when you get to the subject of grants, you speak in terms of grants helping State and local governments strengthen their management capacities, and cite a number of examples.

Some of the members of this committee, in talking with certain employee organizations, find that this is one feature of the program that they object to. They seem to think it is a sort of unfair, kind of biased expenditure of Federal money to help perfect the skills of management and at the same time exclude them from being able to benefit from this money in terms of their being able to train some of their people to come out just as sophisticated and just as educated as those in the management area.

Would you care to comment on that objection that has been raised to the bill?

Mr. ROBERTSON. Mr. Chairman, in talking with some of the management people, they think that some of our friends in the employee organizations starts in better trained and more sophisticated than they do.

I think unquestionably the thrust of the Intergovernment Personnel Act in the first instance was to strengthen the hand of management, to improve the management capabilities of Governors and mayors and public executive to do a better job of delivering services to the public.

Now, early on there was some discussion with Mr. McClellan's firefighters' organization about a possible grant under the Intergovernmental Personnel Act. And we secured a legal opinion at that time that concluded that employee organizations per se were not eligible for grants directly.

As a result of that discussion, we did develop some guidance, Mr. Chairman, that permits officials of State and local employee organizations to participate in joint training with management officials.

To date we have had one application for such training from one State. That grant was awarded and was later withdrawn or terminated—canceled—before it was launched by the grantee, by the State government involved.

We have another grant application now that is under very active consideration, and although this program is managed on a decentralized basis and determinations of this sort will be made at the regional director's level, all the indications that I have at this point indicate that that grant will be awarded providing for joint training of the employee organization officials involved there.

What we can finance under such joint training, Mr. Chairman, is training to understand the terms of the collective bargaining agreement, orientation to public sector labor relations laws, administrative orders, amendments thereto, and some briefings and instructions on those areas of personnel administration that may affect the conduct of collective bargaining.

Mr. CLAY. I think the big objection is, as I have been able to ascertain from those in the employee's union, that you cannot give a grant directly to an employee organization.

Mr. ROBERTSON. That is correct, sir.

Mr. CLAY. It has to go through some other agency.

Mr. ROBERTSON. That is correct, sir.

Mr. CLAY. And we are all new in this area of legislation. Our subcommittee just got jurisdiction.

Can you explain to us what these areas of jurisdiction are, the State plans, et cetera?

Mr. ROBERTSON. Yes, sir, I would be happy to.

The grant program provides for grants to State and local units of government, general-purpose units of government. Every general-purpose local unit of government or combination of local governments with 50,000 population or more is eligible for a grant. The Intergovernmental Personnel Act urges local units of government with less than 50,000 population to cooperate in developing a plan for the benefit of all of them.

This can be a training plan; this can be a recruiting plan. I think you can see that this can involve a number of aspects of the program.

Then there are certain other organizations which are eligible for grants. These are organizations which have as a major purpose research or training. Is that right, Allan?

Mr. HEUERMAN. Yes.

Mr. ROBERTSON. That makes organizations like some of the public interest groups available for grants.

These other organizations can receive grants only for training purposes, and they can receive grants only when the State or local governments indicate that they are interested in having such grants provided them.

The purpose of putting that in the act was, again, to emphasize the thrust towards strengthening the arm of the State and local managers by constraining us from making grants to people for them to go out and sell training. State and local managers must indicate that they are interested in the proposed training, before these other organizations are eligible for a grant.

Allan, would you like to add to that?

Mr. HEUERMAN. That is essentially it. The grants to the non-profit organizations, Mr. Chairman, are, as Mr. Robertson has indicated, essentially to allow a slight degree of flexibility in awarding the grants, that is, to allow us to make a grant direct to an organization where the State and local governments themselves which are interested in the training have requested that it be set up on such a basis, rather than one of them becoming a grantee and trying to administer it on behalf of many governments that are participating in the training program.

Mr. CLAY. You keep referring to State and local governments. What happens in the event that a local government objects to a State plan?

Mr. ROBERTSON. Mr. Chairman, in a case of that sort, any eligible local unit of government or combination of local units of government has the option of applying directly to the U.S. Civil Service Commission.

There is a provision in the law that that application must go through the Governor's designee for the administration of the IPA. This designee can hold that application for a maximum of 60 days, is it?

Mr. HEUERMAN. Yes.

Mr. ROBERTSON. And then it has to be submitted to the Commission for action, whether or not it is approved. If he doesn't approve it at

the expiration of that 60 days, it has to be submitted to the Commission for independent action.

I should say to you in all candor that to my knowledge there has not been an instance of a Governor objecting to a proposal submitted to the Commission by a local government. I think that is due to the fact, Mr. Chairman, that the need, as we perceive it, is pretty broad out there, and in most of the States—all the States, I guess—there is an advisory council set up for developing the plans, working cooperatively and doing this developmental work. And there is a heavy input into these advisory councils from State and local government officials, as well as the university personnel.

I think that is one reason for the success of it, that there has been a high degree of cooperation in the first instance.

Mr. CLAY. Do we have State plans in all 50 States?

Mr. ROBERTSON. In 44 States at the moment. All States have this year, except Alaska, Delaware, Idaho, New Hampshire, Rhode Island, and Vermont, and in five of those six States there is a joint plan for the local governments' share of the funds, sir.

The only State that doesn't have some sort of joint plan is Alaska.

Mr. CLAY. Well, where they don't have State plans, then the local governments apply directly for grants?

Mr. ROBERTSON. They apply directly to the Civil Service Commission for the grant, sir.

Mr. CLAY. If the grant is approved, do they have to share the money with the State?

Mr. ROBERTSON. No, sir, there is an allocation of funds for State purposes and for local government purposes. This is developed on the basis of a formula, sir, which provides each State a relative share. The State of Missouri share vis-a-vis the State of Colorado share, for example, is based on the relative population of Missouri or Colorado compared to the total national population, and the relative amount of public employment in general purpose governments in Missouri or Colorado versus the national total.

Then, when you get to the State of Missouri, the allocation is made within the State, between the State and local, based on the proportion of local government employment to total government employment in the State, and the proportion of local public expenditures to total public expenditures in the State.

Mr. CLAY. Thank you.

Mrs. Schroeder.

Mrs. SCHROEDER. Thank you, Mr. Chairman. I had a couple of questions that I was interested in.

Do you have any breakdown of how much of your program goes into training versus recruitment and more action-type things?

Mr. ROBERTSON. We do have that, Mrs. Schroeder. On the average, about 40 percent at the present time is going into training, and about 60 percent, roughly 60 percent is going into personnel management improvement grants.

And we have a further breakdown on that. If you will give me just a minute, we'll find it.

In fiscal year 1974, of the \$10 million that was available that year, \$7 million of it went into personnel management improvement, and \$3 million went into training.

The year before, in 1973, there was \$15 million available, and \$10 million went into personnel management improvement that year; \$5 million went into training.

Mrs. SCHROEDER. Now, by improvement, what exactly do you mean?

Mr. ROBERTSON. This would include such things as strengthening the central personnel agency, for example. I know two States that have set up State personnel agencies as a result of this. A number of local jurisdictions have done this.

Another thing that would be included under personnel management improvements would be what we call interjurisdictional central personnel services.

For example, a subject that is very important these days is selection, you know, whether or not the selection device that is used for selecting people measures the person's ability to do the job—validity, I think the experts call that.

Out in the Midwest, in the Chicago region, a very interesting thing has been done with what is called the Great Lakes Assessment Council. This is where those six States in that area pool their resources in the selection area. They are familiar with all the projects that we are funding in the selection area in that Middle-Western region. They play an important role in the allocation of resources. They have a high degree of responsibility to see that we don't invent the wheel in this jurisdiction and then in another, and so on—interjurisdictional services, cooperative services of that sort.

Other areas are recruitment, examination, and placement. These would classify as personnel management as would classification and pay systems.

Mrs. SCHROEDER. But the recruitment and the actual action—you know, really trying to get your governmental places to comply with affirmative action—that portion of what you are doing is probably fairly small compared to these other things.

Mr. ROBERTSON. I think I can say, Mrs. Schroeder, that there is an affirmative action EEO component to many of our grants as we improve the system. If the system really works on a professional-merit-system-oriented basis, that is true.

I have some data that indicate there are about \$500,000 each year for direct EEO efforts, and that in 1973 and 1974, out of the \$25 million, about \$3 million went for EEO-related efforts.

For example, in the city of Chicago, they developed manuals and training tape to enable departmental personnel to conduct interviews in Spanish in that city.

We have developed a number of publications in this area. We have done this centrally, and the State and local governments have, too.

Mrs. SCHROEDER. Let me give you some examples. I think this sounds great on paper, and I have heard great praises of it, but let me hammer away at this.

I have had a lot of experience with the State and local governments as a hearing examiner and in personnel matters, and I was not all that impressed with what centralized personnel would do, because I found the first thing they would do was protect their own, put their wagons in the circle. And we would see Federal programs coming through managed by the States. Maybe the requirements for the Federal programs say that an employment situation would be that the

person had to have counseling experience, let's say a B.A. from college and 3 years of experience with the department of labor or department of employment or something, so they knew what jobs were available.

I would see our central group take all that and hire, instead, someone who had been with the department for 25 years and graduated from high school and was a white, rather than a minority—and let's say this program would be for minorities. They would say, "What we do is take each year of experience with the department and correlate that to graduate education."

And so there was no way—because in our State, for example, I don't think we had any blacks, and I doubt that we had any women, even, in the employment system until about 1965.

So they very effectively could modify all of these and have a phenomenal explanation for why that was so much more important—experience over education. And they could do it every single time.

Eventually, if you wanted to go to court and appeal it, and hire attorneys, you could dump it because it was thwarting. But when you see that sort of thing going on, what can you do?

Mr. ROBERTSON. When we see that sort of thing going on, Mrs. Schroeder, we work with the State and local units of government to try to improve the situation.

Mrs. SCHROEDER. How? The only way you can do it is if they think they'll be embarrassed to death. Because you can talk 'til you're blue.

Mr. ROBERTSON. We have made suggestions, and as a result of our suggestions requirements have been changed in a number of jurisdictions.

For example—and Mr. McIntyre can add to this—in a number of jurisdictions, in working with the State and local governments, we have persuaded them to change the entry requirements for certain jobs, pointing out to them that in our opinion it seems that a college degree might not be applicable here, and they should take a look at this; that certain physical requirements, particularly in the law enforcement area—do you have to have a 5'10" person for law enforcement?

We make a number of suggestions to State and local governments about improving their systems. As I indicated to Chairman Clay earlier, there is a lot to be done in this area still, but we think that we are sensitive to a number of the problems and work on them.

Doug. would you want to add to that?

Mr. McINTYRE. In our efforts under our merit system standards program and our technical assistance program, ever since this act was passed we have given our top priority to this area of equal opportunity.

Our technical assistance instructions tell our regional people who do the work that they should look for the opportunity to include recommendations which will help the equal employment opportunity area in every type of technical assistance that they perform. And, in fact, from some counts we made a couple of years ago, we found that more than half of the recommendations that they make—more than half of the total—do have a direct bearing upon equal employment opportunity.

The kinds of things that we have been able to get some movement on have been, for example, in terms of making sure that each of these State grant-in-aid agencies and each State personnel agency goes to a point of thinking through the kinds of equal employment opportunity

problems they have, and setting down on paper some assessment of this and some action steps that they can take to improve the situation.

This, you know, may sound like a paper exercise to you, but it's a beginning. It does actually lead people to think through the problems they have.

And as a result of this, we have begun to see some action. We have begun to see doing away with kinds of requirements which really are not pertinent, such things as height requirements, for example, for police and firemen—either going down so they don't exclude as many women, don't exclude as many Spanish-surname people, or in some cases actually being eliminated.

In some cases in the past they have used sort of arbitrary blanket educational requirements, such as to do a clerical job you have to be a high school graduate; to do other sorts of jobs, you have to be a college graduate—not that this requirement can never be shown to relate specifically to the kind of job to be done.

I don't mean to say we want them willy-nilly to eliminate educational requirements if they have a direct relationship to the kind of job that is to be performed, but not just an educational requirement for the sake of having an educational requirement.

We have been encouraging them to open up their systems. In the past, in certain kinds of programs, everyone came in as a clerical or fairly low-level technical worker and moved up in the system, and it was kind of a closed system. But many, many more of these agencies are opening up jobs throughout the system so that people can come in at higher levels.

I wouldn't want to try to convey to you that the situation has been resolved, but we do think we see movement.

Mrs. SCHROEDER. Let me follow that along because everybody keeps saying—I have heard a lot of good things about the program, so let me ask you in all candor what some of the problems of the program are, other than money.

Mr. ROBINSON. Oh, I think some of the problems that are involved, Mrs. Schroeder, are that although we have done a good bit of evaluation in the past, we need to take a comprehensive look to be able to show people we get this sort of impact from a comprehensive standpoint.

I can talk to you about instances in this area, and instances in that area. We need to be able to indicate in a comprehensive manner what the situation is with regard to impact.

I think we need to work with the State and local governments to increase their capability to do a lot of this helping themselves, you know; that we look upon our money as a seed money effort, so we can help start programs that become self-supporting.

I think I can give you a good example. The National Association of Counties is going to be here and testify at one time, and there is mentioned in our statement the grant we made to them, where they worked with the States of North Carolina and Utah, and the State of New York, where two of these States picked this up on their own.

We need to work with the States to plan in a more comprehensive fashion and take a look at the needs of the States and jurisdictions to allocate these scarce resources as well and as rigorously as we can according to their standards.

I say as long as the priorities are within the ballpark of reason and are legal, the State and local units of government know more about what their problems are than we do, sitting in Washington or in a regional office.

I think that although we have State plans in 44 States, we need to improve the comprehensiveness of these—nothing fancy, but you know, until this act was passed and signed by the President in 1971, there wasn't a great deal of interest at the national level in helping State and local governments in the very important area of managing the workforce, where the bill is now running about \$96 billion a year for salaries out there. I think that is something we need to work on.

I think that we need to work in the mobility area along the lines that some of our amendments in that area go to. I think particularly we need, as we can, to use more State and local people on mobility assignments to the national establishment.

I happen to believe very firmly that the Federal system is a pretty good system, you know, and that we are all in this governmental business of delivering services together; that the people down at the local level in my community aren't really particularly concerned about where the service delivery comes from, so long as it is done prudently and effectively and with some degree of humaneness and compassion.

I think that we can do that better if we know more about the operation of State and local governments, and State and local governments know more about the operation of the National Government; that we need to encourage, to the extent that we can, more State and local people into the national system to just get a familiarity with it.

I think that another thing that we have to work on constantly is improving our own organization, particularly at the regional level where they are working on a daily basis with the people in Denver and the people in the State of Colorado; and you have people there who appreciate those problems at the local level, yet they don't roll over and play dead, you know, but point out to the people in a real partnership manner some of the things that need to be done.

Those are some of the things we could do, I think.

Mrs. SCHROEDER. You don't think you need more clout, though? You are finding the positive, low-key—

Mr. ROBERTSON. Mrs. Schroeder, I think that we can be more successful working in partnership with these people than we can using clout at the moment. I am a firm believer in that.

One of the amendments that I hope is going to be introduced and be considered by this body is to extend the 75-25 funding ratio for 3 more years.

The chairman indicates that these hearings are going to continue at a later date. I think this is something we should always look at to see whether or not we need more clout.

But my experience is that State and local people, as I individually am, tend to be very resentful of clout, you know, until you go the last mile. I happen to believe what the President said, "Speak softly and carry a big stick," is only a last resort.

Mrs. SCHROEDER. Thank you very much, Mr. Chairman.

Mr. CLAY. Thank you, Mrs. Schroeder.

Mr. Harris.

Mr. HARRIS. Thank you, Mr. Chairman.

I want to express my appreciation for being able to be here today with you, because I have been very enthusiastic about the program because of the fact of my experience in local government.

I have a little bit reverse reaction. I think some of the fellows going out to local government may learn as much as they teach. There isn't anything like being close to the people's problems and finding out some of the problems in local government are different.

Mr. ROBERTSON. Mr. Harris, if I left the impression that it was all a one-way learning experience, I wouldn't want the record to indicate that.

Mr. HARRIS. I don't think so, but I wanted to make that clear. In northern Virginia, James Keyes, an AID management analyst has served as director of administration for the Fairfax-Falls Church Mental Health and Mental Retardation Services Board and Jeffrey Human of HEW is serving as executive director of the Comprehensive Health Planning Council of northern Virginia. They have come out and helped us in mental retardation and many health matters, and I want to put that on the record because they have done an excellent service.

Very specifically, what is your budget in 1975?

Mr. ROBERTSON. The budget in 1975 for grants, Mr. Harris, is \$15 million.

Mr. HARRIS. It is \$15 million.

Mr. ROBERTSON. If you are talking about the total budget, I'll find that for you in just a minute.

The total budget for 1975 is \$19,073,000. The administrative costs are \$4,073,000.

Now, that includes more than just the grant programs, you understand—the merit systems Mr. McIntyre talked about, the nonreimbursable technical assistance that I talked about. The grant component of that budget is \$15 million in 1975.

Mr. HARRIS. That would explain what I was going to ask you next: Does it cost you \$4 million to give away \$15 million?

Mr. ROBERTSON. No. As a matter of fact, Mr. Harris, the grant portion of that is \$1,464,000.

Mr. HARRIS. OK. If we are enthusiastic about this program, as apparently the Nation is and the administrations is, why haven't we gotten any more money put into the program?

Mr. ROBERTSON. I think quite candidly, Mr. Harris, the problem that is involved—and let me just review the history a bit.

The first appropriation—I am talking entirely to grants now—was in 1972. The act was signed by the President on January 5 of that year, I believe. The budget was already on the Hill. It was a matter of negotiating a budget amendment with OMB, and we got \$12.5 million that year.

The next year there was an increase to \$15 million—in 1973.

The administration asked for \$22.5 million in that year, an increase of \$10 million over the first year.

And my impression is that the Congress was considering revenue sharing at that particular time, and so we were sending a lot of dollars back to State and local units of government, and that year's budget was pared down as a result of that.

And then in 1974 it went back to \$10 million; in 1975, up to \$15 million again.

Mr. HARRIS. How much did you ask for in 1975?

Mr. ROBERTSON. How much did we ask for in 1975? This is what the administration asked for, Mr. Harris.

Mr. HARRIS. I have just one other quick question.

As I recall, last year the President abolished, under statutory authority, the Advisory Council. Does the Commission have any plans to reestablish such an Advisory Council under its authority?

Mr. ROBERTSON. There is a provision in the act for the establishment of advisory committees, Mr. Harris. The Council that was terminated by the President was a special Council that was provided for in the act to do a number of things.

To answer your question specifically, the Commission does not intend at this time to set up an advisory council structure of any sort. Let me tell you why: The reason is that we think we are not insulated. We bring in ad hoc groups from time to time to discuss with the Commission various subjects.

For example, a project that we were working on in the selection area—we had a number of State and local people in to work with us on that. We have done this three or four times since the act has been in existence.

We meet regularly with State and local officials in meetings of theirs—the National Association of Counties, the League of Cities. I was in Houston at the National League of Cities meeting.

And my experience with State and local officials is that they are not very reticent about telling you where they think you can make improvements.

Mr. HARRIS. You don't see a need for a continuing body at the Commission level? You like the ad hoc approach better?

Mr. ROBERTSON. Yes, sir.

Mr. HARRIS. You don't feel that this insulates you from views that may be contrary to your views?

Mr. ROBERTSON. Mr. Harris, in all candor I don't know the county manager in your county of Fairfax. I do know the county manager of Arlington—

Mr. HARRIS. The latter is Bert Johnson; the former is Bob Wilson.

Mr. ROBERTSON. I have found those people not reticent about piercing my insulation if I tended to develop it.

Mr. HARRIS. Thank you.

Mr. CLAY. Thank you, Mr. Harris.

Mr. COLLINS.

Mr. COLLINS. Thank you, Mr. Chairman.

I am interested in this whole broad subject that we have here about mobility and the grants and training.

Could you give me some advantages, any mobility advantage, between State and city and Federal government?

Mr. ROBERTSON. Advantage of people who have had that?

Mr. COLLINS. Transferring between the two branches of government. Do you advocate that as a program that should be developed?

Mr. ROBERTSON. Yes, sir.

Mr. COLLINS. Why?

Mr. ROBERTSON. I think it is very beneficial for people who are employed by the National Government, Mr. Collins, to have had the experience of sitting in a State capital, working in a State capital or a city hall, to see what life is like in those jurisdictions.

By the same token, I think that it is helpful for State and local people to have some experience at the national level—not everybody, but people primarily in managerial positions.

I am of the opinion that our society is in such a state that it is going to be very beneficial in the future for managers in the private sector and in the public sector to know something about the organization.

Mr. COLLINS. We have a civil service system. Would you be suggesting they be selected any other way than by a civil service appointment?

Mr. ROBERTSON. No, sir, I would not.

Mr. COLLINS. If we have a civil service system and they apply and go through it, why need we worry about a mobility system at the Federal Government level?

Mr. ROBERTSON. A problem that is involved, Mr. Collins, is that it is very difficult for people—you know, once an individual gets established and puts down roots, he tends to stay there. I think if the odds are in favor, everything indicates he will.

Mr. COLLINS. What is the advantage of change if he has to go that route?

Mr. ROBERTSON. I don't advocate cutting those roots off permanently, Mr. Collins. The mobility that I advocate and the mobility advocated and contemplated in the Intergovernmental Personnel Act is for 2 years, with the option to renew for another 4 years—an absolute 4 years.

Mr. COLLINS. Do we in some way waive or give him special priorities in the civil service ratings when we make that transfer? Do we allow a veteran's preference differential?

Mr. ROBERTSON. No, sir.

Mr. COLLINS. Do we jump him above other people who are better qualified?

Mr. ROBERTSON. It works like this, Mr. Collins. Let me take a cut at it, and then if I don't answer it, I'll try again.

Let us say the State of Texas—a responsible manager in the State of Texas or at the local level, had a project, a task, to perform; that they didn't have somebody who could do this, and they thought they could get better expertise from the National Government—from a regional office in Dallas, or, indeed, in Washington, wherever this might be in existence, to work on a special project. They would simply negotiate for that individual's assignment to them for a period of time to do that project.

Now, there are three conditions that have to be met.

The individual jurisdiction that is seeking this expertise obviously has to want it, or they wouldn't be looking for it.

The manager at the national level who is giving up this expertise, making it available, has to be willing to let it go.

And the individual involved has to be willing to go.

Mr. COLLINS. I have been up here five terms and never had the subject come up of being short on people. Usually agencies want more money and have other problems. Do you have quite a few people around here requesting that Federal Government people come in? Or are these Federal Government people the ones who originate the idea themselves?

Mr. ROBERTSON. We have had, Mr. Collins, a number of Federal Government people who have gone out on such assignments.

Mr. COLLINS. Did they initiate the idea?

Mr. ROBERTSON. Mr. Collins, I can't answer that definitely because I am not familiar with every one of the cases. I am sure in some cases they do, sir.

Mr. COLLINS. Let me go on to one other thing. Why did you think it was timely to come in and recommend that we change in the legislation to a 75-25 from a 50-50 before we had a complete evaluation? And why should we change the participation from the base of 50 up to 75 before we had this evaluation of the IPA program? Isn't that getting the cart before the horse?

Mr. ROBERTSON. Mr. Collins, we didn't think so or we wouldn't have been here. As I pointed out earlier, we have done a number of things in the evaluation area. For example, we have looked at the training that we have done. We have looked at the technical assistance that we have done. We thought we were far enough down the road to take a comprehensive look weaving all of these together, sir.

Mr. COLLINS. I understand you have spent \$52.5 million in the IPA program through the end of 1975. Is that right, about \$52.5 million?

Mr. ROBERTSON. About \$52 million; yes.

Mr. COLLINS. What yardsticks do you have to measure this program's effectiveness, and how could you show us an accounting of how this money has been spent and used effectively?

Mr. ROBERTSON. Mr. Collins, we have some yardsticks here.

Mr. COLLINS. What I am primarily concerned with is: Do most of these programs lead into more governmental spending? Or can you show me where you have made consistent Government savings as a result of this?

Mr. ROBERTSON. That is one of the things that we want to do with the evaluation, to attempt to answer questions of just that sort. I can tell you in an anecdotal fashion where we have made savings.

Mr. COLLINS. Just name about 10 examples. Run some off.

Mr. ROBERTSON. The city of San Francisco reports that they have saved about \$1.2 million as a result of the training project that we financed there for management analysts.

Mr. COLLINS. What did you do about it? What kind of study did you make?

Mr. ROBERTSON. We made the city of San Francisco a grant to train some people as management analysts, who improved the operations of the city of San Francisco, sir.

Mr. COLLINS. Then how did that get to the sewer system or whatever you said? What was it you said they saved the money on?

Mr. ROBERTSON. They saved the money on improvement of operations of the city generally. I think the bulk of the work was actually done in the hospitals, Mr. Collins.

Mr. COLLINS. Was it?

Mr. ROBERTSON. Yes.

Mr. COLLINS. I wish you would show me how they reduced the budget in the hospitals in San Francisco. That's a pretty free-spending city, and I am interested in what happened from year to year as a result of that.

Mr. ROBERTSON. Mr. Collins, I would doubt that I can show you that they have reduced the budget in the hospital \$1.2 million. The statement is that it would have cost them \$1.2 million more if they hadn't done this, sir.

Mr. COLLINS. We spent \$1.2 million and it cost them \$1.2 million less, but what do they have to show for it? So wouldn't you say we would be better off if they hadn't spent it?

Mr. ROBERTSON. That is a point of view, sir.

Mr. COLLINS. Would you just supply me for the record 10 solid illustrations of how you have, through these grants, led into savings year after year on city and State expenditures. Because I am interested in budgetary economics. And if this is just another agency to help people spend more money, it is something we sure don't need.

Mr. ROBERTSON. Mr. Collins, I'll be happy to do that.

Mr. COLLINS. Fine. Let me go into another subject here.

We have increased the deficit to \$435 billion here in the Federal Government. Frankly, we've just begun, because this year many of us in Congress estimate that the deficit this year will be \$80 billion; it might be \$100 billion. It is way beyond the \$52 billion that we first heard about.

Let's say that we have an \$80 billion deficit. What worries my people at home as much as anything about the recession is inflation. And our country economists, our bankers, the man in the street, know this is due to excessive government spending.

Why should we be giving more to the State and local governments when we are the worst spenders in the world here in the Federal Government? We are not giving them anything. We are going out and borrowing money to give them.

In Texas they recently increased the State employees' salaries 13 percent as the State is so rich, and yet you are saying, "Go down there and match them and give them a bigger part of the match when the State is better off than the Federal Government." How do you figure that out?

Mr. ROBERTSON. Mr. Collins, the only way I figure this out is that in 1971 the Congress of the United States, in cooperation with the President—he signed the act—concluded as national policy at that time—national policy—that State and local government institutions, effective ones, were very important in the operation of the Federal system, and that personnel was a key role in that, and that as a matter of national policy we had an interest, a high-level interest, in having sound and effective personnel systems as they contributed to State and local governments.

I grant you that everybody is having financial problems now.

Mr. COLLINS. Your reasoning is that in the Federal Government we are blessed with more knowledge than they are at the State and local level, and therefore we should take the lead in helping them get started. Is that the idea?

Mr. ROBERTSON. No, sir, I would not take that position for a minute, because half my lifetime has been spent in State and local government.

Mr. COLLINS. If they are as smart as we are, why do we need to inject ourselves into their affairs?

Mr. ROBERTSON. Mr. Collins, I would guess that the Congress and the President, when he signed the act, thought that we had access to resources that would be useful to them in a seed money sort of undertaking in bringing these improvements about.

Mr. COLLINS. Of course, one of the problems you have when you talk about seed money projects, you know, is that we wreck their budgets unless we continue to participate. They have more of a budget problem.

But in my State—my city and county and State have a balanced budget, and that is why we have low unemployment, because we operate on a sound fiscal basis.

The Federal Government has a boondoggle plan where we have absolutely no fiscal responsibility, and here we are talking about more spending when we have an \$80 billion deficit facing us—going out and increasing these matching funds.

Let's get back to it again. Is that justified, or is it sound economics?

Mr. ROBERTSON. I think that our expenditure is justified, Mr. Collins, inasmuch as we have launched this program. It is a small program; it is 4 years old; it is the only program of its sort, the only time in the history of the National Government that we have attempted to work on a cooperative basis with the State and local governments, where the payrolls now are running \$96 billion a year, to improve those systems.

I think personally, sir, that that is a sound investment.

Mr. COLLINS. I understand State and local expenditures have been going up proportionately faster than Federal expenditures—is that right?—in fiscal matters?

Mr. ROBERTSON. In personnel matters.

Mr. COLLINS. In other words, they told me the other day we have actually cut our Federal payroll by 200,000 people, but the State and local are adding considerably faster than that.

Mr. ROBERTSON. That is correct, Mr. Collins. I do have some data on that.

For example, in 1970, State and local employment was 10,147,000. That went up to 11,353,000, an increase of 1,206,000 in a 3-year span from 1970 to 1973. At the same time, employment of the Federal Government went down 95,000, from 2,881,000 to 2,786,000.

Mr. COLLINS. I think it is deplorable what States have done. They don't have a sound program. But at least they are fiscally responsible, and if they are keeping solvent, they can work it out.

You say in your statement "financial burden which the State and local governments are reluctant to absorb" is why we should go into this partnership. It is not because money is the issue, because they have more money than we do. States raise the question: Is it worth it? They will put in \$1 if they get \$3, but not 1 for 1.

Mr. ROBERTSON. The reason for that item in the statement is simply this:

In 1958, the Congress of the United States passed the Government Employees Training Act that provided for a fairly comprehensive training program for employees of the National Government. Most of the State and local units of government have not even touched the surface in this area.

As the subcommittee chairman was pointing out earlier, one part of the Advisory Council on Intergovernmental Personnel programs had to do with improving the training at the State and local level of State and local government employees.

What this Government Service Fellowship program does is make available the resources to State and local managers who want to send an individual for full-time training for up to 2 years, graduate training. Obviously, this should be used in a very prudent manner, that we don't send just every individual involved. But I think one of the monuments that sound managers make is that they leave the institution, whether it is a public one or a private one, a little bit better than when they found it in the first instance.

And I think one of the finest ways that they can do that is to leave a little more competent work force behind them than when they came there.

From that standpoint, I think they are reluctant to make this move because they are in competition.

You asked me earlier about State and local government. They are out there, and people see the potholes in the streets every morning, and it is a great difficulty to assign appropriate priority to sending an individual to the University of Texas or to Southern Methodist or the University of Houston or the University of Missouri or anywhere else unless you have those potholes filled.

And this is just an added incentive for them to do that, sir.

Mr. COLLINS. You know, I have got four college degrees, and I sometimes think that people with commonsense are better off than people with book sense. This theory we load on in college doesn't necessarily fill those potholes. I want to know what they learn in those 2 years about how to fill potholes and keep a balanced budget.

Mr. ROBERTSON. They may not learn anything about filling potholes, Mr. Collins, but they may learn something that will enable the jurisdiction to be managed in a more effective fashion than it might otherwise have been.

Mr. COLLINS. Just give me a few examples of what you have seen these fellows learn and where they have put it to practical use.

Mr. ROBERTSON. Well, I guess, Mr. Collins, the best example I can give you is a training program that we have had in the National Government, sending people for advanced training for up to a year or two at universities or colleges of various sorts, as managers in the Federal Government.

And I can not cite you specifics, that they have accomplished this or accomplished that.

I just have a theory or a hypothesis that the Government is better managed than it would have been had they not been there.

Mr. COLLINS. In the Federal Government we are going to spend twice as much this year as we did 5 years ago. Does that mean we are better managed? Do you see any signs in the Federal Government that we are doing a better management job than we did 5 years ago?

Mr. ROBERTSON. Mr. Collins, we have a lot of problems today, and we had a lot of problems 5 years ago.

Mr. COLLINS. Five years ago we had a war. We are in peacetime now. It looks like everything would be in our favor.

Mr. ROBERTSON. That is certainly one great plus in our favor, sir.

Mr. COLLINS. Let me ask you about this mobility business, on changing Federal, State, or local employees.

Can a State or local employee assigned to Federal Government be paid a salary in excess of the Executive Schedule 5? Is that called Executive Schedule 5? It is the schedule for \$36,000. Can a State employee be paid more than a Federal employee's top schedule? Is that possible?

Mr. ROBERTSON. Yes, sir.

Mr. COLLINS. How many people are in that category?

Mr. ROBERTSON. Mr. Collins, there are a handful of them—5 or 10, something like that. I would like to supply that.

Mr. COLLINS. Is there any justification for that?

Mr. CLAY. Will you yield? I heard the question, and I didn't hear the response. Did you say there are?

Mr. ROBERTSON. There are.

Mr. CLAY. State employees who make more than the schedule 5?

Mr. ROBERTSON. Yes, Mr. Chairman. That comes about because the act authorizes the payment of the salary that the employee was receiving at the State or local level at the time he came in on a mobility assignment.

In every one of these cases, Mr. Collins, this is an employee who has come to the National Government, an agency of the National Government, from a State or local unit of government or from a university—universities are eligible for participation under the act. And this is simply reimbursing that institution for the salary that he was paid there at the time.

Mr. CLAY. Will you yield?

Mr. COLLINS. I will be glad to yield, Mr. Chairman.

Mr. CLAY. Can you give us a list of the persons making more than \$36,000, and where they come from?

Mr. ROBERTSON. Yes; I can give you a list of the names of the people and the salaries and where they came from and where they are, Mr. Clay. I would like to submit that for the record, Mr. Clay.

Mr. CLAY. I would like to have it for the record.

Mr. COLLINS. I appreciate the chairman's interest because I am sure the Federal employees in the system, particularly being caught in the cost-of-living squeeze like they are, would be discouraged and apprehensive of bringing in outsiders who would make more than they do with all their experience.

Mr. ROBERTSON. Mr. Collins, may I say just one thing in elaboration of this point, sir?

Mr. COLLINS. Yes.

Mr. ROBERTSON. One of the amendments would attempt to get at this from another standpoint.

In a number of cases, State and local government employees come to work with the National Government, and the work that they are doing at the National Government is compensated for at a higher level, maybe, than in their jurisdiction out there. And there is an amendment in here to enable them not to lose money vis-a-vis their Federal counterparts when they come into a Federal job of this sort.

So I wouldn't want you to think that all State or local government employees are in this category, that they come in at this high salary level. There are a number at very low salary levels.

Mr. COLLINS. Let me follow up on the amendment which you have suggested. You are going to permit agencies to supplement the pay of some State and local employees assigned to Federal positions so you can raise them up to the level of pay in the Federal Government, have them on a Federal compensation level? Is that right? Do you propose that?

Mr. ROBERTSON. That is correct.

Mr. COLLINS. Well—

Mr. ROBERTSON. And the purpose—excuse me.

Mr. COLLINS. I just wanted you to discuss your thinking on that.

Mr. ROBERTSON. The thinking on that, Mr. Collins, is that when they are in the Federal Establishment doing work comparable to people in the Federal Establishment, they should be paid commensurate with the work that they do. This is just on a temporary basis.

Mr. COLLINS. How would you handle this in the civil service adjustment?

Mr. ROBERTSON. How would we handle this? When the manager at the Federal level negotiated for one of these people to come in on a temporary assignment, his salary would simply be supplemented to the level that it would be at the national level.

If he came in on a leave without pay status, he would be appointed temporarily in that position at that salary level.

If he came in on a detail basis, where he wasn't appointed but just detailed and we reimbursed the State and local governments for what he made, we would reimburse them for the difference between what they paid him and what he would have made had he been appointed to the particular Federal position.

Mr. COLLINS. Would you suggest the State and local governments do the same thing for a Federal employee transferred in there, that they pay him more? Or should the Federal Government pay him more?

Mr. ROBERTSON. Do you mean pay him more than his Federal—

Mr. COLLINS. Let's say the State level was a \$15,000 job and he was making \$13,000. The differential—should the Federal Government pay it to him, or the State Government pay it to him?

Mr. ROBERTSON. My personal opinion, Mr. Collins, is that the law makes this negotiable; they can work it out together. But the main thrust of the law is that the employee not suffer any reduction in his income or loss of rights as a result of going on one of these assignments, sir.

Mr. COLLINS. In the present program, are the State and local governments exercising the use of the full amount of money that is available?

Mr. ROBERTSON. Under the grant program, sir?

Mr. COLLINS. Yes.

Mr. ROBERTSON. Yes, sir.

Mr. COLLINS. You have complete requests? How much do you have in the way of excess requests? In other words, are you just giving it to everybody who applies?

Mr. ROBERTSON. Oh, no, sir. We had last year, at the national level, requests for about twice what we had funds to fund.

In some of the States—and I don't have this detail by detail, but in some States they have all they need, Mr. Chairman. But in a number of jurisdictions—California, I believe—there was an indication that they had requests for two or three times the funds they had available.

Mr. COLLINS. And this was on a 50-50 basis?

Mr. ROBERTSON. On a 75-25 basis.

Mr. COLLINS. That's right, that's the way we are dividing right now.

Now, we haven't changed from that yet. If we changed and went into a 50-50 system, what do you think would happen then? I wasn't here when you gave that testimony.

Mr. ROBERTSON. If we changed and went into a 50-50 matching basis, Mr. Collins, my opinion is that there would be a number of jurisdictions, particularly the smaller, less affluent ones, that would tend not to utilize the program to the extent they have.

I think another thing that would happen would be that there would be a great deal of concentration on trying to develop additional in-kind match to make up the difference in this.

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. CLAY. Thank you, Mr. Collins. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman. I'm sorry I was late. I was talking about revenue-sharing with some constituents of mine and was tied up in my office.

I did get here in time just to hear that classic statement of Mr. Collins though, and I would prefer it be left on the record.

Mr. Collins said it was fiscal management, as I recall, in his city, county, and State that made it possible for them to have low unemployment in the Dallas-Fort Worth area, or in Texas generally.

Incidentally, the Dallas-Fort Worth area has an unemployment rate of about 3½ percent compared to the national average of about 10 or 12 percent. It is higher in my district in California and my people are also dependent on the aerospace industry.

We haven't had the Federal Government throw money into our aerospace industry, just to keep the production line open, as has been in the case of General Dynamics and LTV and Bell Helicopter.

Mr. COLLINS. Let me just remind you for the record that our aerospace industry has only half of the people that were formerly in it. I don't know what your experience is, but we have some factories that are down to one-fourth in aerospace.

Mr. WILSON. I might also add that you have plants in Fort Worth, like the General Dynamics plant that was built entirely by the Government. I know this is objectionable to the gentleman's philosophy, but this does aid them in underbidding on some of the contracts that do come up. In addition your State has a very powerful member of the Appropriations Committee, Mr. Collins.

I am just suggesting that there are other factors, other than the great fiscal responsibility of your public officials in Texas, that perhaps contribute to the very wonderful economic climate you enjoy in Texas.

Mr. CLAY. Would the gentleman yield?

Mr. WILSON. Yes.

Mr. CLAY. Would you also suggest that those who can't find employment in Texas migrate to California because the unemployment benefits are higher out there?

Mr. COLLINS. Keep that in the record. [Laughter.]

Mr. WILSON. Now, as Mr. Collins has indicated, I am not aware of everything that has been discussed. There are some answers to questions, however, that I want to get on the record.

What are your views on the possibility of our recommending an amendment to the IPA extending it for another 3 to 5 years at the

specified level of authorized funding? Would this not facilitate the process of periodic progression program review?

Mr. ROBERTSON. Mr. Wilson, my personal opinion is that I would see no need for this, because I think that we are reviewed a very great deal now. Just looking at it from my point of view as the program manager, we are reviewed within the Commission; we are reviewed at OMB; we are reviewed at appropriations hearings; and, thank you, sir, this is the first oversight hearing we have had, but the subcommittee chairman has indicated we are going to have more of these.

We are reviewed by our constituents, public interest groups, the Governors' Conference, the League of Cities, the personnel people, the public administrators.

I think we have plenty of review.

But I grant you from where I sit, I may very well be prejudiced.

Mr. WILSON. Well, I think it is going to be valuable to have the review of this particular subcommittee.

Mr. ROBERTSON. I think that will be helpful.

Mr. WILSON. I think one of the good things that came out of the committee reorganization is that this subcommittee has been established.

What is the staffing pattern of IPA in the regional offices? Would you comment about that.

Mr. ROBERTSON. The bulk of our staff is located in the regional offices.

Mr. WILSON. I am thinking in terms of numbers of people, and their ability to monitor and evaluate grant program effectiveness.

Mr. ROBERTSON. Well, I think that they are fairly adequate at the moment, sir. We have a total staff in 1975 of 264 people; Two hundred four of them are in the regional offices; 60 are in the central offices, sir.

That central office figure in 1972 was 59, compared to 60 at the moment.

We try very hard to keep the central office staff as small as possible, because the action is in the field. That's where the growth has occurred from 108 in the field to 204 at the present time.

Mr. WILSON. Well, do you intend to beef up regional staff, since you state that there will be more evaluation now?

Mr. ROBERTSON. We have no funds for that purpose in the 1976 budget, Mr. Wilson. We would plan to accomplish the evaluation that we talk about by hiring somebody on a temporary basis, contract or mobility assignment—something of that nature—not to have those people permanently on the staff, but once this evaluation is finished—

Mr. WILSON. You are going to have to add to the regional staffs, though, for this purpose.

Mr. ROBERTSON. No, sir, this would be done—

Mr. WILSON. I mean through temporary people.

Mr. ROBERTSON. Well, we might do this one of two ways. We might possibly let a contract for somebody to do this for us. We might just possibly do this ourselves, largely ourselves, and if we did that we would do this probably—and I am being very hazy here because, frankly, we don't know just what we are going to do, how we are going to accomplish it at the moment.

We might do it either on a temporary basis through mobility assignments, or mobility assignments of State or local personnel to do this, sir. But there is no large staff increase contemplated at the regional level or the central office level.

Mr. WILSON. Do you have any firm indications that increasing the Federal share of the Federal employees will make possible greater utilization of the Federal service fellowships?

Mr. ROBERTSON. No, I have no firm indication of that. There have been, Mr. Wilson, about a dozen of these so far. The finance director of the city of Mobile, Ala. has been one of these people who comes to my mind right away, Mr. Patrick Kelly. Mr. Kelly is very high on this program.

Another individual who participated in the program and was very high in the program is the city manager of Port Arthur, Tex. a couple of years ago.

And our feeling was, based on the evidence and the discussions we had, that when a State or local unit of government sent an individual for long term training of up to a year or two, they were staffed fairly thinly and normally would have to fill in behind that person.

It became pretty expensive from their standpoint if they had to pay 75 percent of the employee's salary. We thought this would be an added incentive for them to participate in that program.

Mr. WILSON. Thank you very much.

Mr. ROBERTSON. Thank you.

Mr. CLAY. Mr. Collins, do you have any further questions?

Mr. COLLINS I just want to thank my colleague from California for his very generous remarks on the aerospace industry, and expand a little on that.

I ought to tell him the records I saw recently showed that California was getting proportionately a larger share of aerospace contracts than any State in the country, and that the decrease, compared to what it was say 10 years ago, has been less out there than any major State in the United States and that many of these contracts were not made on a contract bid basis; many of them were negotiated contracts.

Mr. WILSON. I would certainly agree with the gentleman, if he will yield, that we should put these negotiated contracts behind us. The strange thing about the last contract that was let, however—the light wing fighter—is that a couple of Californians list the contract, and did give a firm price with no overruns possible at all. And we know that General Dynamics got the contract for the F-111.

Mr. COLLINS. I might say that isn't in my district.

Mr. WILSON. I hope they do a better job on this than was done on the other one.

Mr. COLLINS. I would state that the LTV, which also isn't in my district, is probably the most efficient and well qualified air contractor in the country.

Let me go on, though. I just wanted to supplement the record.

On the 204 regional personnel you have, could we have a breakdown of what grade jobs they are and where they are located?

Mr. ROBERTSON. I don't have the grade level of them. Mr. Collins, but I have a breakdown of them, of where they are. Here it is, sir [indicating].

I will be happy to provide the grade level for the record, if you would want that.

Mr. COLLINS. When you go out to check and decide how you are going to allocate this money, what is the most important factor you measure?

Mr. ROBERTSON. Well, the law itself says that there are two factors that there are two factors that must be taken into consideration: employment and population.

The awards or the allocations are made to the States on the basis of their relative populations and relative public employment in general purpose governments in the State.

Mr. COLLINS. In other words, you would give more to New York than you would to Rhode Island?

Mr. ROBERTSON. That is correct, sir.

Mr. COLLINS. In proportion?

Mr. ROBERTSON. Yes; in proportion to their population and the total public employment, their relative proportion.

Mr. COLLINS. Yes.

Mr. ROBERTSON. Then, when the State and local units of government develop their plan against that allocation, we have established no national criteria as such. As I said earlier, we operate the program on the philosophy that we work with the State and local units of government, and so long as the priorities they assign are legal under the law and meet the criteria of reasonableness, we go along with the priorities set.

Mr. COLLINS. How many States this past year received grants from your program.

Mr. ROBERTSON. All of them, sir.

Mr. COLLINS. All of them did?

Mr. ROBERTSON. All of them. All of them received an allocation, and all of them applied for all of it, sir.

Mr. COLLINS. Will you furnish us with specific illustrations of where your programs have led to tangible results in some way? Do you think you have any way that you could do that?

I realize it is a short time since they have been trained through the program, but many times when these people return they immediately inject new thoughts into their local programs.

Mr. ROBERTSON. We will do this. We'll try very hard—and we can do some of this, Mr. Collins. This is one of the things we want to get a little better hold on. When I was talking about a comprehensive evaluation—

Mr. COLLINS. Yes.

Mr. ROBERTSON. You see, we have never had oversight hearings before, and as a result of this it is developmental for us, too, and the evaluation is going to be helpful from that standpoint, to try to pinpoint with a little more precision and a little more accuracy the accomplishments in a comprehensive fashion.

Mr. COLLINS. Along this line, when you make the grant you let the State or local government decide on which people are involved, and they make the selection of the personnel?

Mr. ROBERTSON. The training, sir?

Mr. COLLINS. Yes.

Mr. ROBERTSON. Oh, yes, sir.

Mr. COLLINS. In other words, you make the grant and they decide which people will be allocated to the program?

Mr. ROBERTSON. Right, sir. They make the determinations of which people participate in the program.

Mr. COLLINS. Thank you, Mr. Chairman.

Mr. CLAY. Mr. Wilson, do you have anything further?

Mr. WILSON. I have nothing further.

Mr. CLAY. Mr. Robertson, we certainly want to thank you and your staff for this excellent presentation and testimony.

The committee will recess until tomorrow morning at 9:30 in this room.

Mr. ROBERTSON. Thank you very much, Mr. Chairman.

[Whereupon, at 11:40 a.m., the hearing was adjourned, to reconvene at 9:30 a.m., Wednesday, March 5, 1975.]

[The following information was furnished the subcommittee in response to the requests of Mr. Collins:]

IPP regional staffing patterns by occupation and grade

	<i>Full time permanent position</i>
Atlanta:	
Clerk-typist, GS-3-----	1
Clerk-typist GS-4-----	4
Clerk-stenographer GS-4-----	1
Secretary GS-5-----	1
Research psychologist-----	1
Personnel management specialist GS-7-----	3
Personnel management specialist GS-9-----	1
Personnel management specialist GS-11-----	3
Personnel management specialist GS-12-----	4
Personnel management specialist GS-13-----	3
Personnel management specialist GS-14-----	2
Personnel management specialist GS-15-----	1
Total -----	25
Boston:	
Clerk-typist GS-3-----	1
Clerk-stenographer GS-4-----	1
Clerk-stenographer GS-5-----	1
Research psychologist GS-12-----	1
Personnel management specialist GS-9-----	5
Personnel management specialist GS-11-----	1
Personnel management specialist GS-12-----	3
Personnel management specialist GS-13-----	1
Personnel management specialist GS-14-----	1
Total -----	15
Chicago:	
Clerk-typist GS-3-----	5
Secretary GS-5-----	1
Secretary GS-6-----	1
Administrative aide GS-4-----	1
Administrative assistant GS-7-----	1
Personnel staffing specialist GS-9-----	2
Personnel staffing specialist GS-11-----	4
Personnel staffing specialist GS-12-----	1
Personnel management specialist GS-9-----	1
Personnel management specialist GS-11-----	4
Personnel management specialist GS-12-----	7
Personnel management specialist GS-13-----	2
Personnel management specialist GS-14-----	2
Personnel management specialist GS-15-----	1
Total -----	33

	<i>Full time permanent position</i>
Dallas:	
Clerk-typist GS-3	1
Clerk-typist GS-4	1
Clerk-stenographer GS-4	2
Secretary GS-5	1
Research psychologist GS-9	2
Research psychologist GS-12	1
Research psychologist GS-13	1
Personnel management specialist GS-7	1
Personnel management specialist GS-9	1
Personnel management specialist GS-12	8
Personnel management specialist GS-13	4
Personnel management specialist GS-14	2
Personnel management specialist GS-15	1
Total	26
Denver:	
Clerk-typist GS-2	1
Clerk-typist GS-3	1
Secretary GS-5	1
Personnel management assistant GS-5	2
Research psychologist GS-9	1
Personnel management specialist GS-9	3
Personnel management specialist GS-11	1
Personnel management specialist GS-12	1
Personnel management specialist GS-13	2
Personnel management specialist GS-14	2
Total	15
New York:	
Clerk-stenographer GS-3	2
Clerk-stenographer GS-4	1
Secretary GS-6	1
Research psychologist GS-12	1
Personnel management specialist GS-5	1
Personnel management specialist GS-11	3
Personnel management specialist GS-12	3
Personnel management specialist GS-13	1
Personnel management specialist GS-14	2
Personnel management specialist GS-15	1
Total	16
Philadelphia:	
Clerk-typist GS-2	1
Clerk-typist GS-3	2
Clerk-typist GS-4	2
Clerk-Stenographer GS-4	1
Secretary GS-5	1
Research psychologist GS-11	1
Research psychologist GS-13	1
Personnel management specialist GS-5	1
Personnel management specialist GS-9	1
Personnel management specialist GS-11	6
Personnel management specialist GS-12	3
Personnel management specialist GS-13	1
Personnel management specialist GS-14	1
Personnel management specialist GS-15	2
Total	24
Seattle:	
Clerk-typist GS-3	1
Clerk-typist GS-4	1
Secretary GS-5	1
Research psychologist GS-11	1

Full time
permanent
positions

Seattle—Continued

Personnel management specialist GS-11	2
Personnel management specialist GS-12	4
Personnel management specialist GS-13	2
Personnel management specialist GS-14	1

Total ----- 13

San Francisco :

Clerk-typist GS-3	2
Administrative aide GS-3	1
Research psychologist GS-12	1
Personnel management specialist GS-5	1
Personnel management specialist GS-9	2
Personnel management specialist GS-11	1
Personnel management specialist GS-12	8
Personnel management specialist GS-13	1
Personnel management specialist GS-14	2
Personnel management specialist GS-15	1

Total ----- 20

Saint Louis :

Clerk-typist GS-3	1
Clerk-typist GS-3	1
Secretary GS-5	1
Administrative aide GS-4	1
Research psychologist GS-13	1
Personnel management specialist GS-5	1
Personnel management specialist GS-9	3
Personnel management specialist GS-12	4
Personnel management specialist GS-13	1
Personnel management specialist GS-14	1

Total ----- 15

STATE, LOCAL AND ACADEMIC PERSONNEL ON DETAIL TO THE FEDERAL GOVERNMENT EARNING IN EXCESS OF \$36,000

Name	State, local, or academic position	Current position in the Federal Government	Agency/office	Salary
Edward B. Cross	Vice provost for health science, University of Maryland.	Public health analyst	Agency for International Development Africa Bureau.	\$47,595
Wallas Armstrong	Professor and department head, University of Minnesota, medical school.	Special Assistant to the director, National Institute of Dental Research.	HEW/NIH	\$41,800
John Goldsmith	Medical doctor, State of California, Department of Public Health.	Environmental resources analyst.	HEW/NIH	\$40,140
William Atchison	Professor of computer science, University of Maryland.	Educational computing specialist.	HEW/National Institute for Education.	\$37,700
Glenn Beck	Vice president for agriculture, Kansas State University.	Agricultural research specialist.	AID/Bureau for Technical Assistance.	\$43,575
Scott Greer	Professor of social sciences, University of Wisconsin, Milwaukee.	Senior Advisor, office of the administrator, Health resources administration.	HEW/HRA	\$36,666
Daniel Fox	Assistant vice president for Academic Affairs, Health Science Center, State University of New York, Stony Brook.	Associate director for Academic and intergovernmental affairs, Health Resources Administration.	HEW/HRA	\$36,423

¹ The Federal Government is paying only \$16,394 for Dr. Fox's salary. The balance is paid by the State of New York

IPA GRANT PROJECTS INVOLVING COST SAVINGS

Listed below are ten IPA grant projects which involve cost savings to the State and local governments concerned. Although these projects did not result in reduced budgets for the jurisdictions, they did reduce certain costs and thereby prevented budgets from increasing (assuming the activities involved would have been performed at a higher cost in the absence of the IPA project).

1. *Kinloch, Missouri.*—An IPA-funded city administrator took actions which lowered delinquent city taxes and fees by over 10 percent and reduced the city's outstanding debt by more than 25 percent.

2. *Fresno County, California.*—The IPA-funded occupational health and safety training program enabled the County to reduce its previous three year accident record during the six month project by 9.3 lost-time accidents. Using a National Safety Council estimate that each lost-time accident represents \$2,200 in average direct costs to an organization, this reduced rate mean a cost avoidance to the County of \$20,460. During the 12 month period immediately following termination of the project an additional \$20,240 was saved.

3. *City and County of San Francisco.*—This project was a pilot effort to train underutilized employees as operations analysis and use them to identify improvements and potential savings in City-County operations. In first year of program, participants identified improved methods, procedures and employee utilization practices at San Francisco General Hospital, the County Recorder's Office, and the City Purchasing Department amounting to \$1,273,000 in total annual dollar savings.

4. *City of Baltimore.*—A study of existing sick leave policies by City led to new program for controlling abuses of sick leave usage by city employees. Program reduced absenteeism rate from 15 percent to 7 percent and produced savings of \$42,000 in employee time in first two months, and about \$200,000 during the first year of the program.

5. *Columbus, Georgia.*—One of the two cities to implement a planned programming and budgeting system as a result of an IPA training program for city council and administrative staff of Georgia's six largest cities. The City has reported a reduction of 40 employees to perform the same budgeting services and has estimated approximate savings of \$250,000 per year.

6. *Union County, New Jersey.*—Careful analysis of the workloads and 1974 personnel plans of 57 county departments by the IPA-funded personnel planning and analysis unit led to recommendations to the County's Board of Chosen Freeholders that certain agencies defer hiring and promotion until later in the fiscal year. Recommended policy of prorating new hire salaries over 1974 by hiring in June and July rather than January resulted in savings of \$100,000.

7. *Indiana.*—With the assistance of IPA grant and Indiana University, State Department of Revenue developed a manual for audit operations and conducted training sessions for 44 new auditors. Detailed measurements of auditor production before and after the training showed that, among those trained, the dollar amount of taxpayer error found per audit had increased by over 65 percent and the amount of new revenue generated by each auditor per month had increased by over 48 percent.

8. *Greensboro, North Carolina.*—An IPA grant enabled city to evaluate and recommend needed changes in existing personnel program and to develop computer-based personnel system which provides information reports previously prepared manually. This has enabled city to shift three clerical employees, formerly occupied full time on these reports, to other duties.

9. *Manhattan Beach, California.*—Seven southern California cities (Culver City, El Segundo, Beverly Hills, Gardena, Inglewood, Santa Monica, and Manhattan Beach) received IPA funding for a joint program to develop common test and hiring procedures for all maintenance worker jobs. Costs for conducting first joint examinations for maintenance job openings in all seven cities were \$1,600 or 13 percent less than if each jurisdiction had conducted separate examinations. Annual joint examination costs for each city now run \$600 per year as opposed to \$4,000-\$5,000 each for separate examining.

10. *Oklahoma.*—The Oklahoma Municipal League's IPA-funded Handbook for Oklahoma Municipal Officials has resulted in substantial savings of time and money to cities and town in the State. The Handbook has been credited with more than \$18,000 in fiscal savings as well as hundreds of hours saved in employee labor. The guide summarizes in readable fashion numerous laws and regulations affecting Oklahoma municipalities. Elected and appointed municipal officials have found the Handbook to be an invaluable aid in their decisionmaking.

IPA GRANT PROJECTS FOR TRAINING

Here are ten examples of IPA-funded training programs for State and local governments which we believe have had a significant impact. We are also enclosing a copy of our recent report "Training Can Make A Difference," which describes in further detail the use of IPA funds for training.

1. *Training for State Legislators.*—This IPA grant to the Joint Rules Committee of the California State legislature provided orientation sessions for newly-elected Assemblymen and Senators. This five-session program, spread over a two-week period, was so well received that it was repeated in 1975 and entirely financed with State funds. IPA funds have also been used to provide training programs for State legislative leaders from across the country and for State legislators and their staffs in Maryland, New Hampshire, Minnesota, Washington, Alaska, Illinois, and Montana.

2. *Management Assistance for Governors-Elect.*—The National Governors Conference (NGC) conducted two-day orientation seminars for governors-elect with IPA support following the 1972 and 1974 elections. Seven newly-elected governors and executive assistants from three other States participated in the 1972 session, another nine newly-elected governors attended in 1974. Both programs consisted of presentations by present and former governors on topics ranging from organizing a governor's office to executive-legislative relations. The 1974 program of assistance to newly-elected governors also includes on-site management assistance from NGC staff and the development of a guide "The Critical Hundred Days" for the governor's personal use.

3. *Executive Internships in Labor Relations.*—This program provided "firing line" experience in labor relations for 28 city and county executives through an internship program administered by the Labor-Management Relations Service of the National League of Cities-U.S. Conference of Mayors and the National Association of Counties. Each executive served on apprenticeship with experienced management negotiator in a host jurisdiction. Interns moved into key labor relations assignments on their return to home jurisdictions as a result of the experience. Mayor W.H. McNichols of Denver noted that the "program benefited Denver and all other cities that participated by improving the competency of city representatives in the collective bargaining process."

4. *New York Metropolitan Regional Council.*—IPA grants totaling \$50,000 provided 17 training courses over a two-way closed circuit television system to 1,666 employees of city, county, and town governments in the tri-state New York metropolitan area. Estimates, using New Jersey State training costs, show that the same training, conducted by individual governments for their employees would have cost over \$70,000.

5. *Arizona County Executives.*—This IPA project provided an orientation seminar on county government management for newly elected Supervisors, Treasurers, Assessors, Sheriffs, and Records from Arizona's 14 counties. The seminar was scheduled to brief recently elected officials on their new responsibilities about two weeks before they took office.

6. *Administrative Staff in Kansas City Area.*—A systematic training and development program for administrative staffs of five Kansas City area communities was provided under this grant. This was a year-long effort to improve governmental effectiveness in the communities of Excelsior Springs, Gladstone, Grandview, Lee's Summit and Liberty. For conducting the project, the University of Missouri-Kansas City has been nominated for a "demonstrated impact" award by the National University Extension Association.

7. *Village Supervisors in Freeport and Hempstead, New York.*—This project provided cooperative training for 52 first-line supervisors from the villages of Freeport and Hempstead, New York. A joint application enabled these two jurisdictions to participate in the IPA program. Neither Freeport nor Hempstead has the minimum population (50,000) required by law to apply for individual IPA assistance.

8. *Comprehensive Executive Development in Virginia.*—The Virginia Public Executive Institute provides a unified approach to meet training and development needs of State and local executives. The Institute brings together resources and talents of State-supported institutions of higher education. Over 700 executives have been trained during the first ten months of operation.

9. *International City Management Association.*—This IPA grant sponsored the development and testing of a low cost self-administered training program for cities under 25,000 population. Following pilot programs in Texas and Missouri, this program was expanded at local expense to cities in Michigan, Florida, New England, and Iowa. Cities in 12 other States plan to participate.

10. *Statewide Training in Maine.*—This IPA grant supported comprehensive training for State and local officials throughout Maine. During the first two years of the program, 1,285 officials participated in courses offered through the University of Maine in supervision, communications, and employee motivation. Increased funding of program in its second year by the University of Maine freed up IPA funds to establish a technical assistance program for Maine municipalities and an EEO affirmative action plan for Maine State government.

AMENDMENTS TO THE INTERGOVERNMENTAL PERSONNEL ACT OF 1970

WEDNESDAY, MARCH 5, 1975

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
SUBCOMMITTEE ON EMPLOYEE POLITICAL RIGHTS
AND INTERGOVERNMENTAL PROGRAMS,
Washington, D.C.

The subcommittee met at 9:35 a.m., in room 311, Cannon House Office Building, Hon. William Clay (chairman of the subcommittee) presiding.

Present: Representatives William Clay, James M. Collins, John H. Roussclot, Stephen J. Solarz, and Gladys Spellman.

Staff present: Lloyd A. Johnson, staff director, Gail Weiss, staff assistant, Iris Hunt, secretary, and Anthony Raymond, minority staff assistant.

Mr. CLAY. The hearing of the committee will come to order.

The first witnesses this morning will represent the American Federation of State, County, and Municipal Employees.

Good morning, gentlemen.

Mr. WELSH. Good morning, Mr. Chairman.

Mr. CLAY. We have a copy of your statement. We didn't get it in time to go through it and analyze it, so perhaps you ought to read it if it is not too long.

STATEMENT OF WILLIAM WELSH, EXECUTIVE DIRECTOR FOR LEGISLATION AND POLITICAL EDUCATION, AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES; ACCOMPANIED BY T. MICHAEL KERR, LEGISLATIVE REPRESENTATIVE

Mr. WELSH. It is not too long, Mr. Chairman, and I think I can read it very quickly for you.

Mr. Chairman, my name is William Welsh. I am executive director of legislation and political education for the American Federation of State, County and Municipal Employees.

I am accompanied by Mr. Mike Kerr, who is a member of our legislative staff.

We have over 700,000 members and represent over 11½ million State and local employees through collective bargaining agreements.

I am here today to share with you our thoughts on the extent to which the IPA has fulfilled the expectations of Congress and to suggest legislative action which we believe would positively strengthen the IPA.

To a large extent AFSCME is uniquely able to discuss the impact of the IPA at the State and local level. When IPA funds result in agency reorganization, new personnel procedures or the creation of new agencies and policies, requiring employee transfers or changes in job descriptions, they directly affect our membership. When IPA moneys fund reclassification, performance evaluation, motivation, promotion and productivity studies, the program ultimately affects us. Health and welfare, fringe benefits, safety and retirement plans drawn up by management with the support of IPA funds affect the very livelihood of our members. Often we would support the result of a particular use of IPA funds at the State and local level. Sometimes we would not. The problem is that employee organizations are not today part of the processes funded and administered under the act. We can only react after the decisions have been made.

However, what I principally want to discuss today is the effect of the Intergovernmental Personnel Act on labor relations at the State and local level.

A quick glance, for instance, at the "Summary of Selected fiscal year 1974 IPA Grant Projects" compiled and published by the Civil Service Commission Bureau of Intergovernmental Personnel Programs makes my point. Numerous grants have gone to train public sector "managers, officials, top-level executives, and elected officials" in contract administration and interpretation as well as contract negotiation and negotiation dispute settlement techniques.

In Minnesota, one project is expected to "increase the professionalism of the managerial team at the bargaining table and their technical expertise in collective bargaining through increased training opportunities." It is explained that this will be accomplished by a consultant, paid with "Federal funds, who "is currently organizing local government management representatives to meet four to six times a year for detailed instructions and assistance on collective bargaining problems. This consultant will develop resource material, analyze proposed contract language, and assist local governments in preparing for arbitration and grievance processing."

The project descriptions contained in this book do not suggest accord. In Maryland we have a training project concentrating on "settle or strike simulation." It is too bad that we often reach such a situation through management's unwillingness to recognize employee organizations or their grievances.

And I might say parenthetically the State of Maryland is quite laggard in terms of the kind of collective bargaining it has both at the state and local levels, in terms of dealing with employee relationships, but they have no problems coming to the Federal Government and getting a grant in order to assist management to study how to settle strikes and deal with impass situations on the management side of the table.

In Wisconsin, we have a management training project which the Bureau feels might be of especial interest in States where "local government employees are just beginning to organize." There does not appear to be any discussion of unfair labor practices in this project, and whoever wrote that description just doesn't understand the history of State and local labor organizations in the public sector, because prob-

ably Wisconsin was one of the first States in which public employees began to organize.

Mr. CLAY. It is where your union was founded, is it not?

Mr. WELSH. That is correct, Mr. Chairman—some 40 years ago, at least.

Mr. CLAY. Yes.

Mr. WELSH. According to this document, IPA funds have supported the collection and cataloging of information necessary for collective bargaining as well as the training of management personnel in negotiating skills and techniques.

We have IPA-funded regional and State data banks and libraries of labor relations. These clearinghouses contain regional and national wage, salary, classification, and fringe benefit information. In many cases IPA funds had financed the collection of such survey data. Such information is extremely valuable at the bargaining table—as anyone who has been at the table knows—especially when it is only available to one party. One can release it selectively, when it supports one's own position.

And I might say, parenthetically, there, Mr. Chairman, that we have begun to make inquiries in the states where we know that such data banks have been established and created on employee wage and benefit information. We have been asking whether or not the unions, employee organizations, in fact have full access to the data that has been collected and financed through these Federal grants. And to date we do not have a satisfactory answer as to where this information is and how easily and how readily it might be available to employee organizations engaged in bargaining.

And we believe this is one of the areas the subcommittee might very well to look into in terms of its analysis of the operations of this act.

In Illinois we read that a grant will hire personnel for the state to "conduct the necessary in-depth research to enable management to accurately and effectively establish their position on unit determination." The reason for funding these individuals is explained thusly:

"The State of Illinois' position as to unit determination and contract negotiation will be determined largely through the efforts of the labor relations personnel of the department of personnel. The department is currently conducting some of the research needed to accurately argue management's position as to appropriate units, but the task is straining their current manpower resources."

I might say, since this union is in process of organizing the State employees of the State of Illinois, Mr. Chairman, the problem of dealing with the issue of unit determination in Illinois is straining the resources of this union. It is a very complex problem, who goes in the unit. How the units are set up very directly affects the outcome of certain elections. The Federal Government is, in fact, funding one side of that discussion through a federally financed study of unit determination by the department of personnel in Illinois, and to my knowledge we do not have access to the information provided as a result of that study and that kind of analysis. But it could very well directly affect the outcome of a major organizing drive of this union in the State of Illinois in terms of how those units are determined.

The Bureau suggests that this type of unit could be "helpful to many State and local governments presently embroiled in labor problems."

For example, Mr. Chairman, one of the key persons in the State of Illinois who was probably involved in this study has now been hired as a private consultant by the State of Florida, to come to the State of Florida and work with the department of administration in Florida on the question of how to set up the State employees units in the State under the new collective bargaining law.

In New York State one project ties all of these possibilities together, and I quote in terms of what that is supposed to do:

"(1) A symposium for local government executives designed to upgrade their skills in understanding and dealing with public labor-management relations; (2) a course in advanced collective bargaining to develop the skills needed to prepare for and conduct negotiations; and, (3) the formation of a task force to plan and develop regional wage-salary fringe benefit survey groups."

The Civil Service Commission's effect on labor relations through its administration of the IPA goes beyond simple monetary support for one side of the bargaining table.

Title I of the act sets forth six merit principles and title II transfers the administration of Federal merit standards from the Departments of Labor, Defense, and Health, Education, and Welfare to the Civil Service Commission. These standards are the broad personnel practices which must be followed by every State and locality in the administration of Federal grant-in-aid programs. One of these standards involves labor-management relations.

The Civil Service Commission seems to have taken these sections as a mandate to bring State and local government personnel systems up to "merit standards." In the interest of efficiency, the Civil Service Commission not only urges the upgrading of local personnel systems but also urges the adoption in a State or region of uniform systems. Throughout this summary you will find references to uniformity in approach to personnel management and labor relations. For instance, a particularly ambitious project in Florida is expected to "lead to a high degree of uniformity of public labor relations practices within the State of Florida and consequent improvement in personnel administration at the local government level." Under this grant the IPA will fund a labor relations center which will do this under the new law that has just been enacted in Florida:

- (1) conduct research to establish a comprehensive data system;
- (2) publish a newsletter which will contain updated statistical and contract information as well as information about current rulings and legislative actions in labor relations;
- (3) develop a handbook as a guide for local government officials which will contain sample contracts, recommend procedural methods for negotiating a contract, a description of the center, and its activities, and a scheduled and list of topics for training sessions; and
- (4) make necessary preparations for upcoming training sessions.

IPA moneys could have better utilized in funding start-up costs for Florida's new Public Employee Relations Commission under its new collective bargaining law. The Commission, the State's neutral board, is severely underfunded. And, in fact, the whole key to how that law

is to operate is based upon that Commission becoming staffed. But in contrast, what we are doing is in fact funding a center around which the training and data and publications and analysis will all go to the management side of the table.

Such an emphasis on uniformity raises some basic questions. When working toward uniform personnel systems how much latitude do Civil Service Commission field personnel have to promulgate specific labor relations policies? Surely they are influenced by Washington. Are they given guidance in how to respond to questions concerning the relationships between merit programs and a collective bargaining agreement? Are they neutral on this subject? I believe your committee might well wish to explore these policy questions.

IPA grants affect all local personnel—not just those working in programs supported in whole or in part by Federal grants. And I think this is a very important point. Uniformity is not required by the Intergovernmental Personnel Act of 1970, but clearly the thrust of the policy is to encompass all personnel. The implementation of those policies in the field affect all State and all local employees, whether or not their agency or institution is in fact a recipient of Federal grants, because then you can't go into a State and develop a collective bargaining program and develop a personnel act and say, "This only applies to this person in this department because his particular agency is getting a Federal grant, but not to this person."

You must have some degree of uniformity.

So the full impact of this act, Mr. Chairman, is to in fact bring the Federal Government into the business of setting standards and advocating policies that affect all local Government personnel throughout the country and it should be looked at in those terms.

The IPA does not contemplate that State and local merit systems must meet particular Federal requirements. Instead, the act sets forth general merit principles, to "be administered in such manner as, (1) to recognize fully the rights, powers, and responsibilities of State and local governments, and, (2) to encourage innovation and allow for diversity on the part of State and local governments in the design, execution, and management of their own systems of personnel administration."

If the act does not contemplate uniformity, the President's Advisory Council on Intergovernmental Personnel Policy, established by the act and reported to the Congress, does.

In its "First Report to the President and Congress," the Council calls for the abolition of all administratively established Federal personnel requirements imposed on grantees. Instead, a single Federal requirement, administered solely by the U.S. Civil Service Commission would be applied. This would consist of adherence to the six merit principles in the IPA, Hatch Act limitations on political activity and the equal opportunity provisions of the Civil Rights Act of 1964.

The report also recommends a substantial increase in appropriations for the IPA grant programs so that State and local governments can develop comprehensive systems of personnel management based on IPA merit principles, presumably as defined by the Civil Service Commission.

There have even been grants under the act to review collective bargaining agreements for their compliance with merit system standards.

I would like to suggest to the chairman, who has taken the lead in the House in support of Federal public employee collective bargaining legislation, that the situation I have just described, the administration of the IPA by the Civil Service Commission, indicates that the Federal Government today is not neutral with regard to collective bargaining rights for state and local employees. In fact, the Federal Government has a policy, however vague it may be, reflected in the language and administration of this act. The chairman and the committee will note that those who have argued against Federal collective bargaining coverage for public employees as an unwarranted intrusion into State and local affairs before the House Committee on Education and Labor are, in fact, all too supportive of this act.

I don't think we need to draw any additional conclusions from that fact.

The extraordinary increase during the last few years in the number of State and local government statutes authorizing collective bargaining agreements between themselves and their employees has served to highlight this and other imbalances between management and labor in the administration of the IPA. When this act was passed, Congress was concerned, and rightfully so, about the proper administration of the increasing millions of dollars of Federal grant-in-aid moneys going to cities and States who had little experience in handling such large program budgets.

However, the Civil Service Commission's administration of the IPA grant programs provided for in titles II and III of the act reveals a management bias which fails to take into account this growth of public employee organizations and the role which they now play in the administration of merit systems and collective bargaining agreements. There is a rather extraordinary change in the way that States and localities are now moving to handle the relationships with their employee organizations in terms of the increasing States that are enacting comprehensive collective bargaining laws, and States negotiating with their employees in a full collective bargaining setting.

Since its enactment the increasing number of statutory and informal collective bargaining relationships and the increasing strength and size of public employee organizations has created a tremendous change in labor management relations in the public service. Since the act was passed in 1970 eight States have passed comprehensive public employee collective bargaining statutes. Others have instituted collective bargaining through executive order and still others have partial laws. Today another additional 8 or 10 are seriously considering such legislation.

It is now time for Congress to oversee the full consequences of its IPA legislation which is now in its fifth year.

The Intergovernmental Personnel Act needs to be amended to account for the strength and acceptance of public employee unions and organizations and to recognize the role that these organizations now play in effective personnel administration.

I would like to offer for the consideration of the committee, draft language which we believe would go a long way toward correcting existing imbalances in the legislation. This language would permit

public employee unions to apply directly for IPA training moneys for their members and staff for training programs which the Federal Government now funds for the management side of the bargaining table. They would be able to do so without sign-off by State and local governments.

This last point is important. As we brought out in our testimony before the Senate Appropriations Committee last year, joint labor/management training programs are possible under the IPA. I might say this is not something the Civil Service Commission has widely publicized but it is something about which they drafted and circulated internal guidelines.

And I might say, Mr. Chairman, it was only as a result of the very real persistence of representatives of their union that we found out about the existence of internal guidelines which, in fact, said that under certain conditions a joint program of personnel training of management and labor would be possible under the grant. But it was only in a sense accidental that we found out that that guideline had in fact been adopted inside the agency.

From the beginning of the program the State of Washington has, with the participation of AFSCME's two district councils in that State, jointly administered its IPA funds. This has been a useful experience for all concerned. However, as far as we can tell, Washington State must be the exception that proves the rule. We know of no other jointly administered funds.

Until public employee organizations have the right to submit applications to be considered on their merits for IPA training funds without having to wait for management approval, the present situation in which millions of tax dollars go to support those on only one side of the bargaining table will continue. Public employee organizations should be treated by Congress as the labor relations equals that they have now become in public service, and State and local labor relations.

Unless the act is amended to correct its imbalance in the labor relations area, we cannot support either additional funding under the act or the extension of its 75-25 matching formula. If amended, we would urge both the extension of the matching formula and have substantial increased appropriations.

And I might say, Mr. Chairman, that we have brought with the testimony a draft of suggested amendments to the act which we believe would adequately meet the suggestions with regard to training that we have outlined in our testimony.

We believe that this stays within the parameters of what is legitimate in labor relations relationships and personnel administration in terms of training employee representatives, and we would submit this amendment to the committee for your consideration. Thank you very much.

[The suggested amendments referred to follow:]

To Sec. 3, renumber present sub-section (2) to sub-section (3) and add new sub-section "(2) to recognize the role of employee organizations in personnel administration, including the right of public employees through such organizations to participate in the formulation and implementation of policies and procedures affecting the wages, hours or other conditions of their employment, and".

To Sec. 301, delete the word "government".

To Sec. 304, add a new sub-section "(c) The Commission is authorized to make grants to employee organizations to pay up to 75 per centum (or, with respect to fiscal years commencing after the expiration of three years following the effective date of this provision, up to 50 per centum) of the costs of providing training to enable effective participation in labor relations, including, but not limited to, techniques of negotiation, interpretation of collective bargaining agreements; use of grievance machinery; orientation in public sector labor relations laws and administrative orders, orientation in the role of civil service commissions, in antidiscrimination laws and procedures, statutory employee appeal procedures, position classification process, and mediation and arbitration processes and machinery."

To Sec. 502 (definitions) add new sub-section "(5) 'employees organization' means any organization, union, association, agency, committee, council, or group of any kind in which employees participate which exists for the purpose, in whole or in part, of representing State or local government employees concerning wages, hours, or other terms and conditions of employment."

To Sec. 502, add new sub-section "(6) 'officials' includes, but is not limited to, employees of employee organizations whose duties include training employees of State and local government to enable their effective participation in the formulation and implementation of policies and procedures affecting wages, hours, or other conditions of their employment."

Mr. CLAY. Thank you, Mr. Welsh.

Did you have a statement, Mr. Kerr?

Mr. KERR. No.

Mr. CLAY. Mr. Welsh, when you talk about the funds that have gone to "train public sector managers, officials, top-level executives, and elected officials in contract administration and interpretation as well as contract negotiation and negotiation dispute settlement techniques," have there ever been any instances where grants have gone to employee organizations in response to specific requests of States or other localities?

Mr. WELSH. There have been several attempts to make applications, that is correct, particularly after we have recently discovered the guidelines that the Commission laid down.

But the only instance that I am aware of is this particular situation in the State of Washington where, for some reason that is still somewhat unclear to me, the State at the outset, in Washington, made the decision that they would like to have employee representation involved and employee participation involved in that training.

But that was a decision made at the State level and then carried out at the State level.

And to my knowledge, that is the exception.

Mr. CLAY. The only grant?

Mr. WELSH. The only grant that we are aware of. And I might say that there were situations in the State of Pennsylvania where an application was made, but it was never carried out.

Recently there has been an attempt in the State of Florida by, I believe, the Governor of the city of Miami Beach to suggest a joint program, but when it got to the point of being considered, the fund had run out apparently. And that may be resubmitted.

But I think the point that we want to carry with the committee is that under the present procedures an application by a city or State agency is in fact screened and approved by management personnel at a State level. And the other condition is that it has to be a joint training program if there are employee representatives involved in the training. It cannot be for the purposes of training only employee representatives.

A point we believe we could make in the case that is before you in terms of the bias and weighing-in on the management side of the bargaining table with this data and expertise and all, is that we think for good, basic employee relations at the State and local level, for good bargaining sessions, for efficient bargaining sessions, it is equally important that the employee organizations be given the chance to develop the data, the expertise, the training on their side of the bargaining table. And in the long run this is the way to fulfill the kind of commitment that Congress had made under the act of increasing sound, effective personnel policy and relationships in our local governments and in our State agencies.

Mr. CLAY. As I look at your proposed amendment to the act, I would think that it proposes to change the purpose of the act rather than simply its provisions.

The origin of this act was not management-centered programs. And I note you have dealt extensively in your testimony this morning with the reasons for changing it.

Would you like to deal specifically with the language in this act and tell us precisely what it would do?

Mr. WELSH. In the amendment, you mean?

Mr. CLAY. In the amendment. I am sorry.

Mr. WELSH. We believe in the first section of the act that sets forth the purposes, there should be an additional clause added, I believe to section 3, in which the Congress makes a finding, which expands the intent of the act and the reach of the act. And I quote:

"To recognize the role of employee organizations in personnel administration, including the right of public employees through such organizations to participate in the formulation and implementation of policies and procedures affecting the wages, hours and other conditions of their employment."

Now, I think Mr. Chairman, the thrust of that and the importance of that is that there has been a very significant change, even in the last 5 years, as to how States and local governments are approaching the question of their relationships with their employee organizations. And the ability to conduct effective bargaining relationships with recognized employee representatives, is today a very important key to effective personnel administration.

The reason that we believe that case is made is that in fact this is what, to a very large extent, the management side of State and local personnel departments are now coming in and asking for grants and training aids to help them accomplish.

It is not as if they are ignoring the area of changing employee-employer relationships in the public sector. They have in fact acknowledged and recognized this. And in well over half of our States in the country today there are State laws and executive orders that extend this right to employee organizations within those States.

So management comes into the act and says, "What we need for effective personnel administration in our department is the ability to have trained negotiators, data banks, and so forth, so when we go to the bargaining table we are trained, equipped, adequately staffed, and have done our research."

And what we are saying to the Congress is that that is a very valid thing for management to be interested in, and for effective personnel

administration and effective bargaining, effective conduct of public-sector employee-employer relationships, it is very important that the Congress doesn't load into just one side of that bargaining table. Congress should say, "Yes, we understand that. This is the way public personnel administration is changing across this country and we believe this same kind of training, the same kind of data, the same kind of expertise is equally important on the other side for good employer-employee relationships."

We don't want impasses. We don't want the question of collective bargaining between the public sector management and public sector unions to be a detriment to good personnel administration and to the conduct of the business of government. And we think at least one of the ways you resolve this is to be sure, when the Federal Government comes in with a problem, that it recognizes there are two sides to the bargaining table and two sides to effective personnel administration in great sections of our country.

Mr. CLAY. I have a number of questions to ask this morning, but I will yield to Mr. Solarz at this time.

Mr. Solarz?

Mr. SOLARZ. Thank you, Mr. Chairman. It is good to be here.

Let me say before I put one or two questions to the witness, I have had a good deal of personal experience with the work of the American Federation of State, County, and Municipal Employees in New York through District Council 37. And I have to tell you that I believe this is really one of the most responsive and responsible labor organizations in the entire country.

I do believe this is an organization that has demonstrated that it is possible for men and women of every race and religion, every color and creed, to work together. And I think it is a living demonstration—and I mean this quite sincerely—of the possibility of the American Dream.

I mention that because, feeling that way, I am inclined to give a good deal of weight to the views of its representatives. And Mr. Welsh makes here an apparently valid point.

I would like to ask you one or two questions about your testimony this morning.

First, to what extent, as a matter of reality, has the act in question, by funding management efforts to improve its bargaining skills and ability, actually created an imbalance in the collective bargaining process?

Mr. WELSH. First, thank you. May I say I appreciate your comments and will be happy to convey them to DC 37 and all its associates there.

Before you came in, Congressman Solarz, some of the examples that I cited—for example, under the new executive order in the State of Illinois, there is a project which is funding, through the personnel department of that State, the question of unit determination, as to how units should be set up within the system.

This is a critical issue, as you know, in terms of how one produces, organizationally, representively, and so on in terms of dealing with that type of evolving process.

To my knowledge, we have no access to the results of that study. We do know that persons involved in that study are now hired as consultants with the State of Florida where the same process is going on under their new State collective bargaining law.

I talk about one of the things that particularly concerns us, which is the funding of very substantial data banks on wage benefits, comparative wage studies, this type of thing, which is going on regionally. There is a project applied for in Florida. We know of one applied for in Connecticut.

We have been in correspondence with the one in the State of Connecticut as to whether or not the local units, the bargaining agent there, would have access to the full data that is available. And to this date we don't know if we have access to that data, for example.

Mr. SOLARZ. Would it be fair to say, to the extent Congress has an interest in avoiding disruptions in public services at the State and local level throughout the country, that it is critical, if not essential, to provide for equality in the collective bargaining process, itself, and, to the extent this act funds only management but not labor efforts in that regard, it tends to help facilitate the development of a situation which is not conducive to the successful workings of the collective bargaining process?

Mr. WELSH. I think that is exactly correct. And I think what we are dealing with here is that, whereas DC 37 in the State of New York has a very sophisticated staff and vast resources, this is not typical of what the situation is across the country. As we merge into a new era of employee-employer relationships at State and local levels, what we are finding is that when you send unskilled, untrained, or inadequately prepared individuals to the bargaining table, whether they be employer representatives or employee representatives, what you are doing is prolonging and complicating what, in itself, is a difficult process of bargaining.

And if one side of that bargaining table has been through institutes, has access to ready data, and the other side doesn't, then what you are essentially doing is skewing the whole process and essentially creating the kind of situation where we have difficulties in making that process work effectively.

Mr. SOLARZ. Do you have any estimate at all as to what the cost of such an amendment would be if, in fact, it were adopted; that is to say, how much money would flow to the labor organizations?

Mr. WELSH. I think the appropriations for this year under the act were \$15 million total. We testified before the Senate Appropriations Subcommittee last year, where there was a request to double that amount basically by some of the city organizations and county organizations and so on.

And what we said is we think it is unfair for Congress to act on this appropriation—and we still believe that—until this imbalance is worked out.

We would support basically a doubling of the appropriations and join with the city and county and governors conference in that request if we felt this imbalance had been corrected in the act.

Mr. SOLARZ. Perhaps I didn't make myself clear. What I was trying to get at was: If your amendment were adopted, thereby making labor organizations around the country eligible for the assistance provided under this act, how much money do you think the Government might be required to give labor organizations?

Mr. WELSH. Just the labor organizations? Well, I think there are two aspects of that. Five hundred thousand dollars, \$1 million, would

be an extraordinary input in terms of meeting the needs of labor organizations by themselves in this particular field, because I perceive what would happen is that in many of these programs you would, in fact, have a public policy that the facilities and the training and the data and so on that is now going to one side of the table could be easily duplicated and provided for the other side.

So if you had a training institute at a State university that is presently training management employees and it develops the materials and data and so on, the actual cost of adding onto that a training program that was available to employee organizations and representatives would be fairly small.

So I think there are real chances for use of joint or duplicate grants. And I think in terms of the first 2 or 3 years, a relatively small amount of \$2 or \$3 or \$4 million, really—I am not ready to cost it out because we have had no experience with it.

The experience in Pennsylvania when the new Pennsylvania law was adopted—it was applied to jointly train those in collective bargaining—it seems was in the neighborhood, by the State university, of \$180,000 or maybe \$200,000; I am not sure. But that was the scope of that particular program at that time.

With the increasing interest and expansion of these laws—the State of California is presently considering such legislation. The State of Ohio is considering it. I mean there is no stopping what is in fact occurring.

Mr. SOLARZ. I want to thank you very much for your response. I must say I think it is an eminently reasonable recommendation, and as someone who is very much concerned about the viability of the collective bargaining process and about the breakdown of efforts to provide meaningful accords between labor and management in public service, it seems to me we have a very real stake in adopting legislation which would effectively help to facilitate these procedures. To the extent this would give labor, as well as management, the skills with which to effectively bargain, I think it might in fact go a long way toward preventing stoppages and disruptions which have tended, unfortunately, to be the focus of so much of the public attention.

I think what we ought to be doing, instead of concentrating on antistrike legislation, is concentrating rather on legislation designed to avoid the necessity for strikes in the first place.

Mr. WELSH. There is no question about it, that where we have the breakdowns and impasses and the strikes are the places where we either have inadequate statutes to provide the mechanism, or we have a combination of unskilled leadership on both sides, so to speak, of the bargaining table. And I think the evidence of that is really overwhelming.

Mr. CLAY. The gentleman's time has expired.

Mr. Rousselot?

Mr. ROUSSELOT. Thank you, Mr. Chairman.

Mr. Welsh, I appreciate your willingness to discuss this act with us, and the proposed amendment and your suggestions.

You mention that you have over 700,000 members, 1.5 million State and local employees. Could you define for us in writing the benefits that you think this program provides for State and local governments,

and give us direct examples of where it is really benefiting local government by having this program on the books?

Could you do that?

Mr. WELSH. Yes, sir, I think perhaps I can do it in the sense that I believe that in the emerging areas of collective bargaining relationships in the State and local governments, anywhere that a union is dealing with an informed and skilled employer, we, as union representatives, are better off as a result of that.

I don't have any difficulty with that fact.

And since this is a new area for both employee organizations and employer organizations, the upgrading of the knowledge and skill and factual data on wages and abilities of one side of the bargaining table—it is always better to deal with a skilled person——

Mr. ROUSSELOT. What I am asking is: This program has been on the books for a while. We spend \$20 million a year on it, or close to that. Can you tell us the benefits that the local and State governments get out of the program and give us some specific illustrations?

Do any come to your attention just offhand?

Mr. WELSH. Well, you are asking an employee organization representative to justify a program that now is essentially administered by employers.

I think there is no question in my mind, Congressman, that if in fact a county board of supervisors is negotiating with its local membership, with the local union representatives, and we are dealing factually in that situation with comparative wage data in the public wage sector for sanitation workers, for policemen and firemen and what have you, and you have those facts in front of you for comparable-sized counties across the country, that data makes those negotiations more responsive and more useful.

Mr. ROUSSELOT. Do all your members in the field tell you this program has worked or what?

Mr. WELSH. Our membership?

Mr. ROUSSELOT. Yes.

Mr. WELSH. In the State of Washington where we participate jointly, our membership in the field is very enthusiastic about it because they think the training has been provided there, the experience has been given to State agencies, and the fact that both sides of the labor-management relationship——

Mr. ROUSSELOT. So in one State you have an example where you think it has worked?

Mr. WELSH. In one State I have an example where we, as a union, have had firsthand experience with it. There is no other State where we, as a union, have been able to participate in the program. That has been the thrust of my testimony.

So I can give you the Washington State program——

Mr. ROUSSELOT. And detail why you think it has been a success.

Mr. WELSH. Yes.

Mr. ROUSSELOT. But there is no other State where, as far as you are concerned, it has been a success?

Mr. WELSH. There is no other State where on the employee side, the union side, I can give you firsthand information that it has been a

success. Only indirectly can I say I believe that some of the programs have been helpful.

Mr. ROUSSELOT. You are saying some of the money should go to the unions or for your partial control as to expenditure?

Mr. WELSH. Yes.

Mr. ROUSSELOT. And only then can it be a success?

Mr. WELSH. It is only then that I think Congress will be fair about it because I think now, as a result of the act and its administration, Federal money is giving one side of the bargaining table an unfair advantage over the other side as a result of the way this act is carried out.

Mr. ROUSSELOT. But you think, then, that if we designated that a certain portion of this funding would go directly to local union organizations to participate in the program—that is, county, State, and local employees—only then would it really be a worthwhile program?

Mr. WELSH. Only then would we as a union be willing to support an extension and expansion of the program.

Mr. ROUSSELOT. Now, you mentioned that you thought if \$500,000 or \$1 million or something like that was directly available for employee union organizations to participate, how would we decide which States that went to. Are you willing to leave that to the Civil Service Commission?

Mr. WELSH. The amendment we have submitted, in fact, opens that possibility up to the Civil Service Commission. We would in fact be willing to leave it to them.

Mr. ROUSSELOT. You would be willing to leave it to administrative practice to decide where it would go?

Mr. WELSH. Yes.

Mr. ROUSSELOT. Would it be your local State organizations then that would come in and apply for given dollar amounts?

Mr. WELSH. You would have two kinds of approaches, I think. I think you would find a number of State universities who now have study centers will come to the Civil Service Commission and say "We would like to set up within our labor study center a program that will train union employee representatives for purposes of bargaining and development and make available to them the kind of data we in fact are making available to the employer."

I think that would be the principal direction.

In addition to that, I think as a union where we have, for example, the responsibility in a State that has recently adopted a new collective bargaining law—we have a responsibility internally of training our representatives in that State to be effective bargainers, to be effective representatives.

And the union, itself, might make a direct application for training of its leadership.

So I think both kinds of grants and approaches would be what would occur.

Mr. ROUSSELOT. If I understand it, your position is that the only reason it has been a success in your mind in Washington is because the employee organizations or unions have been able to participate in the program. Is that it?

Mr. WELSH. That is what we have firsthand information on.

Mr. ROUSSELOT. Otherwise there is an imbalance, you say?

Mr. WELSH. Yes.

Mr. ROUSSELOT. It is all on the Federal agency management side?

Mr. WELSH. Right.

Mr. ROUSSELOT. And there is no input at all from the union?

Mr. WELSH. Right.

Mr. ROUSSELOT. It is zilch?

Mr. WELSH. That is right.

Mr. ROUSSELOT. I see. So it is your judgment that this program is presently in imbalance?

Mr. WELSH. Exactly.

Mr. ROUSSELOT. That everything is weighed on the side of management. There is no capability of participation by the employees?

Mr. WELSH. That is correct.

Mr. ROUSSELOT. Except in Washington as it relates to your unions?

Mr. WELSH. Oh, to my knowledge, any union—any union.

Mr. ROUSSELOT. Or any local employee organization?

Mr. WELSH. Exactly.

Mr. ROUSSELOT. It doesn't have to be an organized union?

Mr. WELSH. It doesn't have to be a union. It could be an association of civil servants.

Mr. ROUSSELOT. How much time have you spent through your members surveying this program throughout the country?

Mr. WELSH. A very substantial amount of time. We have discussed it with our council directors throughout the States trying to find any other instance where they have participated in a grant program. We know of one instance in which it started and then for some reason was turned down in Pennsylvania. We tried very recently through Miami Beach, Florida, jointly with the city to propose a joint training program. That did not get funded because the State ran out of funds.

But to my knowledge, I believe that I am accurate as far as we can tell—and in discussions with the civil service personnel, themselves—the only place we know is the State of Washington.

Mr. ROUSSELOT. Now, is it possible—your statement is incredible to me, assuming I am hearing correctly—that the program has basically been worthless as it relates to employees' participation and capability, except for the State of Washington, to the best of your knowledge.

Mr. WELSH. And I say to you that I think in fact at the time the Congress enacted this statute, in fairness, there was not the realization of what was happening in terms of changing employer-employee relationship throughout the country. It has been there a long time but in 5 years the growth in the public sector has been very remarkable.

Mr. ROUSSELOT. Let's say you got the \$1 million or \$500,000 to help. Would you then utilize that funding with your employees to encourage the right of public employees to strike?

Mr. WELSH. No. What our amendment attempts to do, Congressman, is to say we are not interested in this money for purposes of internal union organizing or publications or what have you.

Mr. ROUSSELOT. And you would be willing to have a prohibition in the law that would prevent any of that kind of activity?

Mr. WELSH. You mentioned under this act.

Mr. ROUSSELOT. Yes—I mentioned under this act.

Mr. WELSH. No; we are not hung up on that. We are saying in fact, if you are going to train an employer bargaining on one side in bargaining techniques, let us have the same kind of training on our side of the table. If you are going to provide a data bank in a State that is accessible to local government employers, then let us have access to that data bank.

Mr. ROUSSELOT. Under the Freedom of Information Act, don't you have access?

Mr. WELSH. Well, I have correspondence here to try to get that under the programs—

Mr. ROUSSELOT. I thought it was available to you.

Mr. WELSH. I think so but I don't want to have to go to court to fight it out. I want to make sure that if Congress has set up a data bank for employers in the States, we don't have to ask management if we can ask for certain runs of data and certain kinds of analysis before we go to the bargaining table. And that is what I am driving at.

Mr. ROUSSELOT. I am sure my time has expired but let me say I would appreciate it if you would give us in writing why you think it is good in Washington and why you think it has failed everywhere else.

Mr. WELSH. I might say Governor Evans was an enthusiastic supporter of the joint programs. They put employee representatives on the State board that runs the program and we have had a very remarkable experience with him in terms of the administration, the whole process of the act.

Mr. ROUSSELOT. Does the new mechanism that requires 50-50 participation between States and the Federal Government bother you?

Mr. WELSH. If we can be a part of the action we would prefer to go back to 75-25.

Mr. ROUSSELOT. You would like the Federal Government to pick up the tab.

Mr. WELSH. Sure.

Mr. ROUSSELOT. It is always easier, is it not?

Mr. WELSH. No.

Mr. ROUSSELOT. I know, because it is a big fund in Washington we can tap.

Well, Mr. Chairman, you have been very generous.

Mr. CLAY. Thank you, Mr. Rousselot.

Mrs. Spellman.

Mrs. SPELLMAN. I would like to say I wish we could change the name of the organization from the American Federation of State, County, and Municipal Employees to the American Federation of State, County, and Municipal Employees and Members of Congress because I think we need some kind of protection, too. The last 3 days I have had three committees meeting simultaneously, every one of which was of vital importance to my constituency. And, Mr. Chairman, this is murder, having to try to divide yourself up into various pieces and not being able to do a proper job anywhere.

Mr. ROUSSELOT. Welcome to Congress. [Laughter.]

Mrs. SPELLMAN. The 75 Members of Congress who have just come in won't allow ourselves to become part of the system but will start screaming.

Mr. WELSH. Congresswoman Spellman, we have a jurisdic-

tional problem. Our union does not get into organizing Federal employees—

Mrs. SPELLMAN. Let's talk about it. [Laughter.]

I was interested in the questions Mr. Rousselot was asking. I want to get something straight in my mind. We are talking now—and I take it that his questions did not concern or were not addressed to IPA as a whole but rather were addressed to this rather narrow part of employee political practices.

Mr. ROUSSELOT. No; I was talking about the whole program and their experience with it. They admit their experience has been fairly limited but they have a lot of employees across the country. I am trying to get their experience with the whole program.

Mrs. SPELLMAN. And you are going to be presenting some information on how it works. It has some very good factors in it and I would not want to see those factors overlooked. As someone who worked with the program locally, I think I would know something about it.

You indicated something here, on the 75-percent funding. I understand yesterday the Civil Service Commission indicated they were going to be doing an indepth study of the program and doing an evaluation, particularly as it relates to the matching share provisions.

Do you think in view of the fact that such a study is being undertaken, we ought to be moving with the 75-percent funding?

Mr. WELSH. Well, I think without reflecting on anybody, anytime a Government official wants to duck the issue, they do a study.

I think what is important here in terms of perhaps going back to the 75-25 formula, is that this is not an area in which problems are decreasing for local government officials or for public employees. This is an area in which the thing is escalating at an enormous rate. And the expansion and growth of the unions and expansion of collective bargaining laws throughout the country in States really would argue, as far as this part of the program is concerned, for the Federal Government assisting local governments with good training programs. And that means a substantial portion of that grant being picked up.

And that goes to the total question of financial conditions of local governments throughout the country. It is part of that total.

Mrs. SPELLMAN. Let me ask you this, because I am not really familiar with the act to this extent: Can Federal Government pickup local and State government people, a reverse exchange?

Mr. WELSH. I am not certain.

Mrs. SPELLMAN. For some reason or other we think that all wisdom starts at the top.

Mr. WELSH. I don't think it works that way, but I would not be certain.

Mrs. SPELLMAN. I frankly would like to see the Federal Government be able to utilize the services of people who know what it is all about because they have been working on the local side.

Mr. CLAY. If you will yield, Mr. Robertson can answer that question, from the Civil Service Commission.

Mr. ROBERTSON. Mrs. Spellman, it is authorized under the act. For example, any Federal agency can get, under so-called title IV mobility provision on the interchange —

Mrs. SPELLMAN. It can be done the other way around?

Mr. ROBERTSON. Yes.

Mrs. SPELLMAN. We ought to encourage that. When I was at Brookings Institution we would have top-level Federal people in the classes. And what they did not know about State and local government needs and the way the whole system operates was sometimes appalling. They really ought to be doing it the other way and we ought to be working that.

But that is not something that you necessarily would be concerned about.

How would you feel about the Federal Government authorizing a continuation of IPA for a specific period of time, a period of 5 years or something like that, for a given amount of authorized funding? Would that facilitate it?

Mr. WELSH. I believe I am correct in saying there is not a termination date on the act.

Mrs. SPELLMAN. There is not?

Mr. WELSH. There is not. But we are basically involved in this question of shifting back to a higher percentage in the grants question. We are involved in the question in front of other committees as to whether or not the appropriation, which is an open ended appropriation, should be extended and expanded as some of the county and city organizations have recommended.

And we are involved before your committee with the question of whether or not the act's purpose should be expanded and amended in terms of some of the issues, for example, that I have raised.

I don't think we are confronted with the question of the extension of the act.

Mrs. SPELLMAN. Just one other comment. The Advisory Council of IPA was abolished by the President back in 1974. What are your views on the appointment of an advisory committee under the authority which is available to the Civil Service Commission?

Mr. WELSH. Well, I am somewhat neutral on that. All I would urge is that if, in fact, a new advisory committee is set up to continue this or the old one reactivated, very careful attention should be given by members of the committee as to whether they should specify that a larger number of employee representatives should serve on that committee. I believe our union had one representative on the last advisory committee and the act, I think, provides for two. I certainly think that should be expanded.

Mrs. SPELLMAN. I notice you use the State of Maryland here as an example of some of the situations that you face.

Mr. WELSH. I was pointing out the fact that one of the grants that went to Maryland was a grant involving a simulation of a "strike and impass" situation and I was just making the comment that hopefully Maryland will come along and adopt a more comprehensive collective bargaining statute, and would perhaps have programs to simulate what you do in a strike situation, but namely, that these kinds of grants are going basically to train employee representatives. I don't frankly see if we are going to do strike simulation why we can't provide funds to the union as to how to operate the strike.

I want to make the point in effect that that is what the Federal Government is subsidizing. We don't want strikes. We think if the act provided for funds to employee representatives so both sides of the table

are skilled in the bargaining process and the impasse resolution process, you would, in fact, see very substantial improvement in public employee relationships, even where we have difficult situations, such as in Maryland.

Mr. CLAY. Thank you, Mrs. Spellman.

Mr. Collins?

Mr. COLLINS. I was interested in this testimony, Mr. Chairman. This is an interesting approach that we are taking.

As I understand it basically, your union's position is that this is not an effective or a really responsive way that we now operate; is that right?

Mr. WELSH. No, Mr. Collins, I think what our union's position is, in a sentence, is that when this act was adopted by Congress there was clearly a need demonstrated that State and local personnel administrations could be improved. And that over that 5-year period we have seen an onrush of expansion of public employee organizations growing, entering into collective bargaining agreements, States adopting laws covering public sector bargaining and organization; and that we have a new time now in the question of the relationship of the employer-employee relationship at the local and State level.

And if Congress intends to, in fact, deal with this new development in the area of personnel administration, and to provide resources and training and grants to one side of the bargaining table to develop their skills and to develop their information, it is only fair and only good personnel administration policy for the administration of those programs and those systems, that we attempt to provide that same kind of training and skills and information to the other side of the bargaining table.

Mr. COLLINS. Let me ask you: Do you know if there have been any Federal grant programs where they have made a direct award, a specific grant, to the employee organization or the union? Have there been any direct grants?

Mr. WELSH. Not to my knowledge, under this act. I believe, in fact, there have been Labor Department grants of that type.

Mr. COLLINS. But not under this program?

Mr. WELSH. Not under this act; no.

Mr. COLLINS. Under this program you mentioned the State of Washington, but you could not think of any other instance where you have seen it. We have had nearly \$60 million that has been spent, but you cannot put your finger on any effectiveness that we have seen under the program?

Mr. WELSH. No, I am not trying to say effectiveness. I am saying we can't put our finger on any other instance in which the employee organization has participated in joint training or in other kinds of direct involvement in the act.

Now, I don't believe, in fact, that was the intent of the Congress when the act was adopted. We did discover, as a result of pressing, there have been internal guidelines issued by the Civil Service Commission that say in effect if an employer comes forward and suggests that they might also like to have employees included in their training program, we would consider that kind of application.

But our knowledge at this point, other than the Washington situation—we do not know of any completed grant.

Mr. COLLINS. In any type of grant other than on training programs, do you believe you should have participation, where they were trying to improve an accounting system, where they were trying to figure out a way—

Mr. WELSH. No, that is essentially not what we are concerned with. We are not trying to run the local or State governments of this country. What we are trying to do is to improve the employer-employee relationships, and to provide the skills for the changing personnel situation, collective bargaining relationships.

Mr. COLLINS. Is this particular item covered in your present collective bargaining contracts?

Mr. WELSH. You mean the question of IPA?

Mr. COLLINS. The question of your participation.

Mr. WELSH. Not to my knowledge.

Mr. COLLINS. Then, basically, you do not have any right to participate, do you?

Mr. WELSH. Well, we are saying, Congressman, that if the Congress is going to fund the skills on one side of the bargaining table, is going to make a data bank on comparative wage data available to one side of the bargaining table, is going to put the employer representative through a training program of how he can become a better bargainer—the purpose of that is in fact to improve personnel administration and general conduct of employer-employee relationships—then it makes no sense to us and we think it is in fact unfair not to provide that same kind of training and access to publicly-supported data and skill training to the employee on the other side of the bargaining table.

Mr. COLLINS. I was under the impression that cities or States or any other governing bodies—their primary concern was what they could do in behalf of the citizens in the community, that their actions were taken in behalf of the citizens. And I do not see how that concerns the union.

Mr. WELSH. I think when you get to the bargaining table and you are dealing with employees in the city over their wages and working conditions, and how you handle grievances and all the other things that go to that, that the well-being of those public workers in that city, and effective handling of that negotiation, is of utmost concern to all the citizens.

Mr. COLLINS. Well, should the Federal Government be a party to paying for statistics to be used for wage negotiations? That is what it boils down to.

Mr. WELSH. You are asking the question. I am telling you in fact for 5 years the Federal Government has financed it and is in process of financing it and continuing it.

And before you came in we went through this set of data on what the grants have gone for under the act and you are in this business. It is not a question of whether you should be or not; you are in it. And I am simply saying why put it on one side of the bargaining table.

Everybody pays taxes. There are probably a lot more members of this union involved in paying the Federal taxes that support this program than there are personnel administrators sitting on the other side of the

bargaining table, if you want to get right down to the nitty-gritty of it.

Mr. COLLINS. Mr. Chairman, that is a very interesting approach.

Mr. Chairman, I have a markup but I have very much enjoyed this morning's discussion.

Mr. CLAY. Thank you very much, Mr. Collins.

Thank you, Mr. Welsh and Mr. Kerr, and we will be submitting questions to you.

Mr. WELSH. Thank you, Mr. Chairman, and we will submit answers.

Mr. CLAY. The next witnesses will be a panel from the National Governors Conference, National League of Cities, National Association of Counties and National Conference of State Legislatures.

Are the representatives here from those organizations?

Mr. SPELLMAN. Mr. Chairman, may I, in advance, say hello to some old friends. There is John Morrissey and may I say in advance that whatever John says, I am going to buy. He is from North Carolina, too.

And I see some old friend who started on the local level helping people learn what it is all about, including a former Prince Georges resident there on the end who is now in conference with Governors, and I just want the conference to know how much we have missed having you around. I know you are doing a good job for them. It is good to see you, Don, and Senator. It is just a real pleasure to see these folks here.

Mr. CLAY. Thank you.

I might state that your written statements will be included in the record in their totality unless there are objections from anyone on the committee. Hearing no objection, it is so ordered.

[The prepared statement follows:]

PREPARED STATEMENT OF HARMON OGDahl, STATE SENATOR OF MINNESOTA AND
CHAIRMAN OF COMMITTEE ON TRAINING, NATIONAL CONFERENCE OF STATE
LEGISLATURES

Mr. Chairman and members of the subcommittee, my name is Harmon Ogdahl, State Senator from Minneapolis, Minnesota. I am representing the National Conference of State Legislatures at this hearing on the Intergovernmental Personnel Act. I have chaired the committee on training and professional development of the National Conference of State Legislatures.

As a legislator I can appreciate the kind of testimony which is most appreciated—concise and to the point. Therefore, I wish to address here these three issues: The record of I.P.A. and State legislatures; support for the changes suggested by the Civil Service Commission; and finally, suggestions from the National Conference of State Legislatures for amending the law.

The I.P.A. has had only a limited direct impact on State legislatures. I will address this point further when I discuss our proposed amendments. Nevertheless, the National Conference of State Legislatures has observed with interest the I.P.A. activity in State legislatures and has encouraged both the legislatures and the I.P.A. to expand such involvement. Since fiscal year 1972, eight State legislatures have received a total of \$173,552 for I.P.A. funded projects. These projects include training programs for new members, internship programs and specialized training for legislative staffs. The National Conference of State Legislatures also received a grant to provide a National Conference on State-Federal issues for State legislative leaders.

The programs and a list of mobility assignments is included in this latest article of *State Legislatures Today*. This issue also had a lead story on "Minnesota Horizons", a program partly funded by I.P.A. which provided an opportunity for Minnesota legislators to look at where the state had been and the direction it appears to be heading.

I would like to turn my attention now to the act and its proposed amendments. We endorse the proposal to continue the 75-25 matching provision beyond July 1. Personnel problems promise to be a major area of concern for State legislatures over the next several years. State budgets are stretched very tightly, and as small as the sum under discussion may be, the additional demand on State appropriations could mean the end of some very worthwhile programs while preventing the initiation of timely projects with considerable merit.

We also would like to see greater use made of mobility assignments and Government service fellowships. These are very useful efforts designed to improve the capacity and capability of State and local governments. The proposed amendments to these programs would, we believe, increase the utility and usefulness of these programs.

In summary, the National Conference of State Legislatures supports the administration's proposed amendments to the I.P.A.

We also respectfully suggest the following changes in the law:

(1) We find an internal inconsistency to the act which we believe can be easily corrected. The inconsistency lies in the authority to designate the appropriate state office to administer I.P.A. funds. Section 202(b)(1) provides for designation, "By the governor or chief executive authority. . . ." While section 203(a)(2) provides for an agency, "designated or established pursuant to state law . . ." Section 3(1) states that, "this act shall be administered in such manner as (1) to recognize fully the rights, powers, and responsibilities of state and local government." Therefore, we suggest that the latter phrase quoted above from section 203(a)(2) is the more appropriate from the standpoint of how such decisions are made at the state level, as I am sure they are made at the federal level. By substituting the phrase "pursuant to state law" for the parts of the law which say "governor or chief executive authority", the Congress will protect the legitimate authority of the legislative branch to oversee the executive branch operations. The affected portions of the act are: 202(b)(1); 203(c).

(2) Section 202(b)(2) provides that a grant may be made only if it provides for the establishment or strengthening of merit systems. We believe this requirement unduly restricts grant flexibility by not taking into account the progress made in the area of collective bargaining for public employees. We would suggest that the encouragement of merit systems be included, instead, in section 202(b)(5).

(3) Under section 202(b)(5) we suggest for inclusion two additional paragraphs designed to increase the usefulness and timeliness of I.P.A. grants. One paragraph would provide for strengthening the operations, staffing and procedures of the State legislatures and another would strengthen the capacity of the State to deal with labor-management relations.

We believe that State legislatures should be clearly spelled out as eligible bodies for funds such as paragraph (B) where grants are suggested for local governments.

Public employee sector labor relations cannot be ignored by Government officials, and we believe the I.P.A. should assist State and local Governments in Preparing the administrative machinery to deal with this issue.

In conclusion, State legislatures have a firm commitment to improved personnel systems for State and local Governments. We strongly endorse the renewal of I.P.A., support the administration's amendments and present for your consideration the amendments suggested above.

Mr. CLAY. I might also suggest that perhaps in view of the time problem that we have that you summarize your statements rather than read the entire statement, if you would like to, so we will have more time to ask questions.

STATEMENT OF SENATOR HARMON OGDAHL, STATE SENATOR OF MINNESOTA, CHAIRMAN OF COMMITTEE ON TRAINING, NATIONAL CONFERENCE OF STATE LEGISLATURES

Senator OGDAHL. Mr. Chairman and members of the committee. I am here as a representative of the National Conference of State Legislatures and as long as you have my statement I will paraphrase.

I have been the chairman of the Training Committee of the NCSL for the past 4 years. I have enjoyed it and feel that somewhere along the line we have made some progress in training our legislators and our staffs through this avenue.

What I really want to talk about today is legislative oversight or whatever you might want to call it. I am sure Congress has some of the same problems that we in the State legislatures have.

In your law it indicates rather specifically that grants to the States under section 202(b) provides for designation "by the Governor or Chief Executive authority" for development of the approved programs.

What we are asking is that somewhere along the line the legislatures have a part of this. If we could just go so far as to do this by statute, we in the legislatures think that we could get a better hold on some of the programs and make more appropriations where they are due, allowing the legislature and the chief executive to perform where we think they can perform best.

I know oversight is an age-old problem and I know that all 50 States, as I travel around, have the same problem and are trying to get hold of it. For the funds you do provide for us we would like to have some legislative control in the appropriations process, in the drafting, and in the framework of the programs that might be supported by your funds.

We have recently enjoyed the funds in the State of Minnesota. We had a new orientation program this year and we did receive \$10,000 of funds from IPA which we think we used very effectively in analyzing both the past and present and what we should be doing in the future as it relates to our State in housing and other areas.

Incidentally, this is the first time we have had the experience of a State demographer and that State demographer performed beautifully because he showed us that a trend is taking place in our State that we were not aware of: That not necessarily all our central city people are moving to the suburbs, but they are jumping over the suburbs and moving to the rural areas which will have a substantial future effect on housing, education, and other programs. We very much appreciate those funds.

That is primarily what we would like to talk about: the new support, the suggestions from the administration, and the amendment of the law. We hope it will continue.

Mr. Chairman, if you have some questions, I will be happy to respond to them.

Mr. CLAY. Thank you. I think we will have all the presentations first and then go to the questions.

**STATEMENT OF JOHN T. MORRISEY, SR., EXECUTIVE DIRECTOR,
NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS,
NATIONAL ASSOCIATION OF COUNTIES**

Mr. CLAY. Your complete statement will be made part of the record after your presentation.

Mr. MORRISEY. Thank you, Mr. Chairman.

It is a privilege to speak on behalf of the National Association of Counties.

I would like to summarize my statement by saying very briefly the dramatic changes that have taken place across America in county government today demand sophisticated management. The most effective tool to bring that about, in our opinion, is the services that are and have been provided under the intergovernmental personnel program.

And I would like to cite to you a personal circumstance to illustrate how strongly we believe this to be true.

I have a very small staff. We have five professional people in the State Association of Counties.

Four years ago, in 1971, we were the beneficiary of a subgrant under this program. And we hired a person as a field administrator to travel about the 100 counties of North Carolina to talk to elected officials about the need for improving their managerial competency. In those 4 years North Carolina's counties went from 35 counties having a county manager to 62 counties today. And I submit to you that that is the remarkable record, speaking relatively. This is the greatest virtue of a particular and specific benefit under this act.

I would say, too, that NAC endorses the administration amendments to the program and we would be prepared to submit to questions of the committee.

[The prepared statement follows:]

STATEMENT OF JOHN T. MORRISEY, SR., EXECUTIVE DIRECTOR, NORTH CAROLINA ASSOCIATION OF COUNTY COMMISSIONERS ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES

Mr. Chairman, I am John T. Morrissey, Sr., Executive Director of the North Carolina Association of County Commissioners.

It gives me great pleasure to appear before the House Subcommittee on Employee Political Rights and Intergovernmental Programs, on behalf of the National Association of Counties, to express NACo's views on the effectiveness of the Intergovernmental Personnel Act of 1970 and proposed amendments.

America's counties are changing faster than any other unit of American government. Today, counties are faced with demands for new services, especially in urban areas. In the rural areas, with population moving toward the urban locales, counties are faced with the need to maintain current services with a decreasing tax base and fewer personnel resources.

The change in county government from its traditional role to its new responsibility has accelerated in recent years. Originally an administrative unit of the state performing the functions of record keeping, justice administration and tax collection, today's counties provide airport service, air pollution abatement, street lighting, fire protection, cultural centers—an entire range of government functions. People problems more than physical problems occupy the attention of county governments.

Against this background of the change in county government and its recognized potential for service in today's America, the major need is for improvement of the management capability of elected and appointed county officials as they carry out this new role. An essential means to meet this need is the federally funded Intergovernmental Personnel Act Program.

Mr. Chairman, I can unequivocally say that my colleagues in county government all across the United States, have benefitted from the IPA. Counties have used the IPA program for tailored programs encompassing the entire range of personnel administration and management. These programs include wage and salary surveys, personnel institutes for training in labor-management relations, joint city-county-state recruiting centers, orientation programs for newly elected county officials, personnel systems based on merit, and many more equally valuable projects.

The key to the effectiveness of IPA is in its flexibility to tailor programs to the specific management needs of a particular jurisdiction. My county colleagues in-

dicate a high degree of success. For example, Brevard County, Florida Personnel Director Daniel B. Hahn commented that:

"IPA is one of the most innovative, well thought-out and beneficial pieces of legislation the Congress has provided for us in local government."

Montana Association of Counties' Executive Director R. Dean Zinnecker reported that:

"our IPA program has enabled us to respond to the needs of county officials much quicker than would have been possible without it. In addition, it has provided a means to improve the management capabilities of county officials and make them better informed. Consequently, improved decision-making and governmental awareness have been an important result."

In North Carolina, Mr. Chairman, the Association of County Commissioners participated in an IPA program which placed a field administrator in our Association offices. This field administrator facilitates the interchange of information between counties with problems and counties with answers. The field administrator also develops conferences on specific issues, training sessions for county officials and their staffs and provides direct technical assistance. The Utah Association of Counties and the County Officers Association of New York also participated in this IPA program by recruiting field administrators. One way of measuring the success of this program is that since the completion of this three-year project, both the Utah and North Carolina Associations of Counties have appropriated funds to continue the field administrator's program. IPA is now funding three new field administrators in the county associations of Louisiana, Kentucky and Florida. The Lilly Endowment Fund of Indianapolis is funding field administrators in the county associations of Indiana, Ohio, and Illinois, based on the successful experiences of our IPA project.

AMENDMENTS

Mr. Chairman, NACo is in firm support of the Administration's amendments proposed in the 93rd Congress. Because of the effectiveness of the IPA program, tremendous strains are being placed on each state's IPA allocation. The State of New York, which received \$1,154,000 under IPA in fiscal year 1975, received over \$5 million in requests for IPA projects for the same year. In FY 1975, North Carolina received \$291,000 under IPA; Maryland received \$238,000; California received \$1,187,000; Missouri received \$262,000 and Virginia received \$280,000. Like New York, each of these states received IPA project requests well over the allocated amount. Because of this, many worthwhile IPA projects are rejected or consolidated. Without the 75 percent matching level, Mr. Chairman, only the wealthiest of jurisdictions will be able to participate in this invaluable program.

Donald Cleveland, Executive Director of the Iowa State Association of Counties says:

"the IPA program has been invaluable to local government in the state of Iowa. Without it, and without the 75 percent matching level, many programs that are leading to the improvement of county and municipal government in Iowa would have been rejected out of hand."

Speaking for the National Association of Counties, I concur fully with Mr. Cleveland's conclusions. Mr. Chairman, I urge you and this subcommittee to maintain the 75-25 matching level for the Intergovernmental Personnel Act.

Finally, Mr. Chairman, I would like to say a few words in support of the mobility provisions contained in the proposed amendments to the IPA. Here again, NACo is in complete support of the proposed amendment. Like a new car, many pieces of legislation have to be tuned after an initial period. The Administration's proposed amendment would "tune" the mobility provisions of the IPA. Many more counties and county personnel would be willing to participate in the mobility program if the proposed amendment was implemented.

The National Association of Counties is in complete support of the Intergovernmental Personnel Act of 1970, the intelligent way it has been administered by the Bureau of Intergovernmental Personnel Programs and the Administration's proposed amendment to the IPA. NACo urges the House Subcommittee on Employee Political Rights and Intergovernmental Programs to take the necessary steps for implementation of the proposed amendments.

I wish to thank you on behalf of the National Association of Counties for providing me with this opportunity to present our views to this Subcommittee.

Mr. CLAY. Thank you. Mr. Galeotos?

STATEMENT OF LEE GALEOTOS, NATIONAL GOVERNORS' CONFERENCE, PRESENTED BY JAMES MARTIN, DEPUTY DIRECTOR, NATIONAL GOVERNORS' CONFERENCE

Mr. CLAY. The complete statement of Mr. Galeotos will be made part of the record after his oral presentation.

Mr. MARTIN. Mr. Chairman, I am James Martin, deputy director of the National Governor's Conference. I must apologize. Mr. Galeotos was called out of town suddenly and I am representing him. His statement has been submitted for the record. It does outline specific quotes from many Governors as to the many benefits they have received from the program. I won't go through his statement but it does list programs that specific Governors have talked about.

Two that I would like to mention are specifically and directly funded through the IPA program.

Texas opened its first equal employment opportunity office, and Wyoming instituted a statewide minority compliance and recruiting program under the IPA grant program.

It lists many other benefits, but those are two that I think are unusual in the sense that those two particular States have not been very active in those two fields, and yet they were able, through the flexibility of the program, to establish statewide minority opportunity and recruitment programs.

Many States have used the IPA grant program with their own matching funds to establish statewide civil service systems, updated and improved.

In terms of the benefits that the Governors were telling us they are receiving, one is that through the improvement of their management and personnel systems they are seeing productivity gains. Whereas they may have had four or five people doing the same thing before, now, through computers and through improved management systems, they can have one person do that job. So that the program is resulting, in their minds, in a very high level of productivity.

In terms of the future of the program, I think it is significant that this is one of the last programs passed by Congress in the rash of those 600 programs that Congress passed in 1960's. This is one of the last five or six of them. And it wasn't until then that we finally got across the need to Congress for some Federal matching funds to assist in the improvement of personnel management systems.

I think if the match were changed to 50-50, like in many cases "last hired, first fired," this may be a program, since it is new, if it is changed to 50-50, we sense many States will not be able to come up with the 50-50 match.

This afternoon we will be testifying before the House Public Works Committee on the highway program, an \$8 billion program. We've got 32 States right now who say they cannot match their highway program.

That is a high visibility program, a program which is politically very popular, and we have 32 States that are not going to be able to match their own share of highway funds.

And I would think for a program like the Intergovernmental Personnel Act, which is not a high visibility program—it is a management personnel program—this type of program might be one of the first they

would say, "Well, if we don't have enough money to match our highway and health and welfare and keep up with our social services cost, how can we do this?"

As you have been reading in the papers, one of the first things State and local governments have done in the current fiscal crunch is lay off employees. And if they are going to be laying off employees, how can they afford to have increased funding for training?

So, therefore, the Governors are supporting the continuation of the 75 percent match, especially in the current economic conditions. Because this particular program might suffer more so than other programs under the current conditions.

I would like to also relate to the legislator's request. The Governors have always supported the requests of the State legislatures for participation in Federal grant-in-aid programs. The Governors' Conference supports in total the administration's recommendations for the program.

Mrs. Spellman asked about reverse exchanges. For the 7 States represented by the eight members of this subcommittee, two from California—those 7 States had 590 IPA transfers. In fact, only 15 Feds have gone to Missouri. Missouri State and local governments have sent 35 State and local people to Washington. So Missouri is 60 percent ahead of the Feds when it comes to exchange of information and help.

On these transfers, the State and local government is paying 50 percent of the cost. The Feds only picked up half the salary.

In Texas they have sent more State and local people from Texas to the Federal Government than the Federal Government has sent to Texas.

In Maryland there have been 74 IPA transfers, 42 Federal officials have gone to Maryland; 32 Maryland State and local employees have come to work for Federal agencies.

California has had 173, and it is the most IPA transfers.

Virginia has had 69; Colorado, 39; and I mentioned Texas, which is 88. But Texas and Missouri have sent more State and local people.

In that regard, the Governors' Conference unanimously passed in June of last year a reorganization of the National Governors' Conference, one part of which was to create a National Governors' Conference Center for Policy Research and Analysis, calling for State and local employees to come for sabbaticals to our office and make sure we have the State input. I stay in Washington all the time and I am not sure I have that all the time.

Part of that sabbatical States—I see from just these 7 states, 590 individuals highly qualified, going both ways, bypassing my office and the office of the National Conference of State Legislatures and the National Association of Counties.

We think it might be proper, if you put a maximum on it—20—5 for each one of us. If there is a first-class State employee—and this is true especially in election turnovers—if you have a first-class employee who could be sent to our office for a year that would take an amendment to the program so the State person, one of those 35 from the State of Missouri or local governments in Missouri might be able to come and work with us and then we, in turn, work with you so they aren't all working for what I call the Feds.

That is not in our testimony and it is something that I brought up that I think is valid in the light of all these people moving around, that we would like to have a couple of good ones, ourselves.

In terms of the management relation discussion that I heard this morning, I had a feeling that there was a presumption that this money is all being used for management-labor relation training programs. And I only heard one illustration, Washington. I don't know how many grants there have been from the IPA. There must be a thousand or more of them. I heard one illustration.

In my mind at least—and the Governors do not have a policy position on this—I was a little worried about the presumption that all this money is being used for management-labor relations training programs, for public employee bargaining. And to open up this program for that kind of an amendment that was offered across the board, under the presumption that it is all being used for public employee relations training—I think there is insufficient evidence and maybe the Civil Service Commission should document for the members of the committee what, if any, of these funds have been used for that purpose.

Mr. CLAY. Just for the record, he cited in his testimony a number of instances where the money did go for those purposes. So there is more than one. In his written testimony he must have cited seven or eight specific cases.

Mr. MARTIN. Right. And it is only my personal view, Mr. Chairman, that in those situations where money is used for that purpose it is a valid consideration that the other half of the party be given some consideration. But I wouldn't think the whole program should be opened up to that.

Or another type of approach would be to say the State and local people can't use the money for that purpose, either—one of those other types of approaches.

I would like to close by a personal commendation to Joe Robertson. I first met him 8 years ago. He is probably, in my mind, one of the top five outstanding civil servants in the Nation. He has worked for both parties as a first-class administrator. And it has been a privilege for us to work with the intergovernmental personnel program, and primarily because of a top-notch civil servant like Mr. Robertson.

Thank you.

Mr. CLAY. Thank you.

[The prepared statement follows:]

PREPARED STATEMENT OF THE NATIONAL GOVERNORS' CONFERENCE
SUBMITTED BY LEE GALEOTOS, SPECIAL ASSISTANT

Mr. Chairman, my name is Lee Galeotos. I represent the National Governors' Conference, where I am employed as a special assistant for fiscal affairs and governmental operations. I am here today to talk to you about the Intergovernmental Personnel Act.

Prior to joining the National Governors' Conference, I was Director of Administration for the State of Wyoming, where I had the opportunity to observe the IPA in action. As Director of Administration, I also served as the Governor's Designee responsible for statewide administration of IPA activities in Wyoming. I saw first-hand that IPA can make significant contributions to state and local governments. In Wyoming, IPA has been helping to establish a computerized statewide personnel management information system (PMIS). Undertaken in 1972 as the result of a recommendation by the Governor's Task Force on Personnel, this project is now approaching completion and is expected to produce numerous benefits, not the least of which will be lower overall adminis-

trative costs—a most important benefit in today's economic climate. An IPA mobility assignment to Wyoming resulted in the establishment of a classification/compensation system for State employees; and the State is currently using IPA seed money to establish a revolving fund training capability, using tuition fees from participating agencies to finance additional training. Perhaps even more importantly, Wyoming was able to utilize the IPA program to initiate the first compliance and recruiting programs. Concentration on both areas is highly important to a small rural state. In fact, the IPA has been so beneficial in Wyoming that former Governor Stanley Hathaway declared a special IPA Day in 1974 in recognition of the program's contribution toward "improving personnel administration as well as stimulating communication between cities, counties, and State."

IPA in Wyoming has led to improved management capability and, ultimately, to higher quality public service. And this track record is not unique to Wyoming. Based on my personal contacts with numerous officials from other State and local governments, I believe that from coast to coast, IPA has been instrumental in improving the management capability of chief executives, building effective personnel systems, improving government staffing and training, and encouraging intergovernmental cooperation.

Mr. Chairman, this brings me to the crux of my statement. The IPA is a vital tool for State and local governments, but the proposed amendments to the Act are needed to make it an even better tool. In particular, the amendment continuing the 75-25 match is needed to prevent the IPA from becoming an inaccessible tool.

The threat to the IPA is the country's current economic condition. Simply put, the expenses of State and local governments are increasing while their revenues are decreasing. This makes it more and more difficult for them to come up with the matching share required for many Federal grant programs, and more and more inescapable for them to put their money in highly visible programs with small matching fund requirements.

IPA programs are important programs that ultimately produce concrete results in improved public service. The fact remains, however, that IPA programs are not highly visible. IPA functions behind the scenes, and the minority citizen who enters State employment, the taxpayer whose money is saved through productivity improvement, the citizens whose elected officials function more efficiently as a result of training—these people never know that IPA is a major reason behind these improvements. But IPA results are no less tangible for being unpublicized.

In no way am I trying to minimize the importance of bigger, more prominent programs. But I do feel that IPA programs can be equally important, and I fear they may be neglected in favor of programs with more conspicuous results.

In a statement on the floor of the Senate last month, Senator Hubert Humphrey discussed the fiscal problems of local governments. "The Joint Economic Committee has calculated," Humphrey stated, "that the real value of Federal assistance to State and local governments has actually declined in the last year by a full two percent." This is the effect that the present combination of inflation and recession is having on State and local governments, forcing them to increase taxes, lay off many employees, and make cutbacks in services.

IPA has not escaped the decrease in the real value of Federal assistance. According to "The Federal Budget and the Cities", a report by the National League of Cities and the U.S. Conference of Mayors, "The IPA program is without fiscal year limitation, authorizing such sums as are necessary to carry out the intent of the act. Initial expectations for adequate program funding have not been realized, and inflation already has eaten away over \$4 million of the program's total \$52.5 million appropriation since FY 72. The Administration's FY 76 request of \$15 million, therefore, can only be viewed as a net reduction for the IPA program."

In light of all this, Mr. Chairman, I make a strong plea that the matching fund requirement for IPA programs remain 75/25. If it is increased to 50/50, I fear that many jurisdictions will be forced to curtail or worse abandon their participation and I fear that many of these jurisdictions will be those who need the programs the most.

The National League of Cities report which I mentioned above also had this to say about the IPA: "It is a program in which small governmental investments have had significant payoffs, and is currently the only federal program providing flexible, comprehensive assistance in the personnel and management areas."

Governors from coast to coast agree with this assessment. Nevada Governor Mike O'Callaghan says, "The dividends of the IPA investment in Nevada represent what I am convinced is an excellent return on tax dollars, a giant step forward in the efficient delivery of services, and a plan to give outstanding public employees the distinction they have earned." Texas Governor Dolph Briscoe says IPA has "made a significant contribution to improved State personnel systems and training," and cites his satisfaction at the fact "that we now have in operation a State Equal Employment Opportunity Office as a result of the financial support given Texas by IPA." South Dakota Governor Richard Kneip says that IPA's "impact is immeasurably larger than the dollars spent on the program . . . Here in South Dakota, the IPA program made it possible for us to establish a Career Civil Service system several years before we could have hoped to accomplish such a change." Tennessee Governor Winfield Dunn says the IPA is "an invaluable source for improving personnel administration in both State and local governments in Tennessee." Former Ohio Governor John Gilligan said, "While there are still problems, IPA has given government a greater capacity to deal with these problems and a greater reservoir of talented officials to draw on for assistance." And Idaho Governor Cecil Andrus says, "I have heard favorable remarks from all the Agencies which have participated [in the IPA]."

Time limitations prevent me from citing other, equally laudatory comments about the IPA from municipal and county officials. The gist of all the comments, however, can be pretty adequately summarized in a statement from a publication of the International City Management Association: "It looks like the programs carried on under the Intergovernmental Personnel Act will remain one of the best sources of local government professional development support." One basic reason for this is the reasonable flexibility allowed state and local governments in administering their projects. The Congress and Civil Service Commission should be lauded for this fact.

In the latter part of 1974, in a series of meetings around the country and in Washington, D.C., President Ford called on leading officials from both the public and private sectors to give him their views on how to solve the nation's economic problems. According to one participating expert—E. Robert Turner, City Manager of Cincinnati and President of the International City Management Association—one very important tool for fighting inflation is productivity improvement. Turner then went on to cite the IPA as one Federal program which, "at relatively small cost, can have major leverage in speeding up achievement of productivity improvements that will result in significant savings." He also described the IPA as one of "a number of relatively small and unknown federal programs . . . that have already paid high dividends in helping cities and counties maximize their effective use of local revenue and of federal grants."

This is the heart of the matter: IPA is important and highly effective, but it is also small and unknown, and the latter qualities may destroy the former. I hope this Committee will not let that happen.

Mr. CLAY. Mr. Benninghoven?

**STATEMENT OF DONALD BENNINGHOVEN, EXECUTIVE DIRECTOR,
LEAGUE OF CALIFORNIA CITIES, REPRESENTING THE NATIONAL
LEAGUE OF CITIES**

Mr. CLAY. Mr. Benninghoven, your complete statement will be made a part of the record after your presentation.

Mr. BENNINGHOVEN. I am representing today the National League of Cities.

We very much appreciate the fact that you are looking at the effectiveness of this program because it is a new program and needs to be looked at. We very much support it.

I have some suggestions for slight changes in the approach and I would like to go through those with you. But basically we think it is an excellent program for a number of reasons.

It is probably the most flexible grant program we are aware of which really encourages local government and State government to think about ways of improving the delivery of public services.

I have a large book here I would like to leave with the committee which I think is very specific in illustrating the kinds of programs and the results of those programs, which is very important, that have been carried on in California this last year.

They range from the little city of Simi Valley, for example, which decided there was too much entrenchment in their various departments. You become a police officer and stay in that field or a recreation officer, so they have developed a system of team management using an IPA grant where they will go through and talk about transfers from one department to another. You have police officers who now serve in the department of recreation and are able to bring in a different perspective.

Livermore, another city in our State, has used these funds to look at their whole fire delivery service manpower particularly. They weren't able to reduce manpower, but were able to develop a far more effective use of it—also using IPA funds.

We think there has been too little attention paid in our State—and I assume it is the same in others—to how personnel systems are actually being implemented. They are there on the books, but really how are they working?

San Francisco used these funds to come in and look at not only the recruitment methods in that first entrance level examination and appointment, but also at what happens to a person after he has been initially hired. Does he have mobility on a career basis? They found they don't. They just have a whole series of middle management people, and lower management people who are stuck in these grounds. They have taken these funds and developed team analysts who have retrained people who are in a job slot that they could not move out of. It has been very useful in that city, which has a very old civil service system.

Of the Federal programs we have been involved in, we think there is probably less redtape in this one than in any other. The funds are coming directly down to State and local governments. And the money is not being used in bureaucratic review; it is really going to the source.

It is the only program we are aware of that allows local government and State government to implement equal opportunity employment. It is a very important, controversial, and new area, and the cities want to be able to carry out the intent of the law.

Six cities in San Diego County have gotten together and used IPA funds jointly and developed an affirmative action program that has been accepted. They couldn't do it by themselves. They just don't have that kind of talent.

The State of California has developed a testing validation center and for any city in the State—it is under the State personnel board—they will come down and validate the testing to see if there is any discrimination involved, to what extent a written test can be actually used for recruitment, and they have indicated that in many instances the tests were actually discriminating.

Again, it is almost impossible for an individual city or county to have that kind of expertise. They have been very helpful in providing State services down to local government.

One very legitimate requirement, I think, for funds to go out in California is that there must be transferability. There must be an attempt after the experimentation has been completed and the funds have been used to transfer that experience, good or bad, to other levels of government within the State. That is a test and one that is a followup on the use of the funds.

There was considerable discussion earlier about using these funds for labor-management training.

We have done this in California. The University of California at Los Angeles, UCLA, has an IPA grant on collective bargaining techniques. It is open to employees of unions; it is open to the public; and it is open to management.

It is our feeling that collective bargaining is only going to work if both sides are able to understand the rules and the procedures.

I really feel, however, in our State it is on the other side. Our city officials are really the ones without much expertise, very frankly. But it is a joint effort and, as you probably know, it has a national reputation in this field.

One area of concern to us is that we feel it is very important that there be a process for determining how those funds are used within each State. That involves a mix of the agencies involved. We have a 17-member advisory committee that really makes the decision how the funds are going: city, county, public. And it has worked very well.

Usually it is a State staff person making those decisions, and in our view that isn't good and there ought to be criteria developed at the national level to assure that the parties involved are participating in those decisions and that it is not a one-way decision.

We suggest where it does involve local government that there should be an automatic pass-through of funds to local government. That would be an incentive to their participation.

On the amendments that are being suggested by the Civil Service Commission, we support the package of amendments, particularly the continuation of the 75-25 matching. Because these are new programs and very experimental, it is very difficult for a public agency to convince the governing body that it is good to risk this kind of money on these kinds of development programs.

So we think it is very important to maintain that 75-25; moreover, smaller jurisdictions just don't have those kinds of funds.

We also think it is important that we raise the Federal matching requirement for the government service fellowships.

This has been 75-25 the other way. We would like to see those increased so they can be used, and also support the Civil Service recommendations for increasing the flexibility in the mobility portion of the act. We have had good success with Federal and local people working back and forth but it has been difficult because of some of the built-in criteria to use that portion of the act as much as it should be used.

I would just like to conclude by saying it just seems to us that the purpose of the act was to improve public service, the training of employees to provide public service, and the development of better management techniques in the public service, and to the extent these funds

could be used for training union officials to carry out union duties, as opposed to being a better employee and providing public services, it would be a mistake. I don't really see much difference between funds to be used for training employees of a contractor for the city or to train an attorney who is representing an individual employee.

This is a public service program and the funds ought to be used for that purpose.

On the language of the amendments, there is no definition, as suggested, of a "recognized" employee organization. It is unclear whether such recognition is granted by its members, its State or national association, or State or local government. "Recognition" is not defined.

There is no provision included for States who do not yet recognize public employee unions, and there are a number who don't—we do. "Recognition" does not appear in a number of the other sections proposed.

The language "including, but not limited to" is so broad that IPA funds could be used to train union employees in political education and organizing techniques, job actions, and internal union administration, and I think that would be a mistake.

The amendatory language would provide training not only to members of existing recognized employee groups, but to all organized or unorganized employees of State and local governments. I don't think this was the intent of the act.

And then, conspicuously absent from the proposed amendments to this section are the requirements imposed on other training programs. Those are that they be requested by the jurisdiction; that they meet Civil Service Commission regulations; and that the capability to provide training in the subject area does not exist or is not readily available.

Similar problems exist with the language proposed for other sections of the act. In addition to the broad definition of an "employee organization" which appears in section 502, we are particularly concerned about the proposed amendments to section 3 of the act.

The proposed amendments would directly contradict the Commission's existing mandate to "recognize fully the rights, powers, and responsibilities of State and local governments" by providing the Federal Government with yet another mandate—that of recognizing the right of public employees to bargain collectively. I think that is another issue.

Those are generally our comments and thank you very much for the time.

[The prepared statement follows:]

STATEMENT OF DON BENNINGHOVEN, EXECUTIVE DIRECTOR, LEAGUE OF CALIFORNIA CITIES, ON BEHALF OF THE NATIONAL LEAGUE OF CITIES

Mr. Chairman and members of the committee, I am Don Benninghoven, Executive Director of the League of California Cities. I have worked with the California League for the last eleven years and have served as its Executive Director since 1973. I am pleased to be able to appear before you today on behalf of the National League of Cities. John Gunther, Executive Director of the U.S. Conference of Mayors, will submit a statement for the record at a later time.

Before speaking directly about the IPA program, I would like to express my appreciation to the members of this Committee for allowing us the opportunity to express our views on this important program. NLC and the other public interest groups represented here today share the belief that the IPA program,

although small in relation to the total amount of Federal assistance to State and local governments, is extremely effective for improving personnel and management resources and systems in our cities, counties and States.

My purpose in appearing before you is to provide the cities' perspective on the IPA program. As background, it may be useful to note that the National League of Cities has played an active role in bringing visibility to the critical personnel and management issues confronting local governments since 1960, when it established and staffed the Municipal Manpower Commission. Since that time our organization has strongly supported IPA legislation since its introduction by Senator Muskie in 1966.

Our support for the IPA program has been based upon our perceptions of two important trends at the local government level:

The growing need for intergovernmental cooperation and resource coordination to improve local government personnel and management systems;

The increasing need for improvements in overall local government management capacity.

With respect to personnel and management systems, IPA helps cities meet their most pressing needs through a wide variety of approaches. The program not only provides funds for essential personnel improvements, such as the development of personnel systems and classification plans and the improvement of municipal recruiting and testing procedures, but also enables local jurisdictions to undertake creative intergovernmental approaches to upgrade their management systems through the initiation of long-range programs in areas like manpower planning, organizational development, and training coordination.

The improvement of overall management capacity is especially critical in this era of rising citizen expectations and declining municipal revenues. The traditional role of local government as a service provider has been radically altered by rapid urban growth, new Federal programs which impact and place additional responsibilities on municipal personnel systems, and increasing citizen demands for improved governmental responsiveness and efficiency. Local officials increasingly have relied on IPA as the key Federal program to fill the gap between local government management resources and needs.

We have occasionally heard it suggested that this gap between resources and needs is imaginary, and that cities could fund all personnel and management improvements out of their general revenues. Such suggestions reflect an inaccurate understanding of the urban fiscal condition. In our recent testimony before the Joint Economic Committee, we noted that in 1974 state and local government budgets had a deficit of \$7.5 billion. The combination of inflation-affected expenditures and recession-induced revenue shortfalls will make it difficult for local governments to survive this year without tax increases, employee layoffs, and cuts in service levels. It seems clear to us that cities simply cannot finance the personnel and management programs they need from a deficit position.

I would like to take a few minutes now to explain why cities regard IPA as one of the most useful sources of Federal financial assistance. First, IPA emphasizes flexibility in program design to meet the priority concerns of local government officials. It has a problem-solving orientation which permits local chief executives to both build overall management capacity and improve basic personnel practices. In my own state, for example, the city of Simi Valley used IPA funds to develop team management leadership styles, decisionmaking systems, and conflict resolution procedures. The city then trained their management personnel in this system and developed a flexible job classification and employee incentive plan to complement the organizational team development management system. In the city of Livermore, a small IPA grant was utilized to examine manpower utilization in the fire service. The project also focused on modifications in job descriptions to permit employment of women and to achieve greater representation of minority groups in the fire service.

Second, IPA promotes the development of sound personnel systems based upon merit principles. In San Francisco, for example, the city undertook a project to recruit and train a team of operations analysts from within the ranks of the regular city workforce. Although designed primarily as an upward mobility effort, the program has also produced a dramatic increase in employee productivity, and has been expanded to provide training for nine additional operations analysts for three municipal departments.

Third, the IPA program has avoided the cumbersome bureaucratic procedures which inhibit participation by local governments in many Federal programs. IPA emphasizes the delegation of maximum discretionary authority over pro-

gram funding to regional offices and state and local governments. While maintaining a firm commitment to cost-effective performance and accountability in its program, the Civil Service Commission has successfully streamlined the grant application and administration process.

Fourth, the IPA program is currently the only source of Federal assistance available to local governments for developing and improving local equal employment opportunity programs. In San Diego county, for example, six cities cooperatively initiated an affirmative action project to insure open consideration of qualified applicants for municipal positions. IPA funds were used to conduct extensive job analyses in the six cities, develop new career ladders and lattices, and create job-related selection measures for the participating jurisdictions.

And fifth, the IPA program emphasizes intergovernmental cooperation and resource sharing among units of government. The San Diego project just cited is a good example of cooperative intergovernmental efforts with IPA funds. In our State, a major criterion for awarding IPA grants is the transferability of program benefits to other government units. This has allowed us to get greater mileage out of the projects themselves and the limited funds available.

One important component of IPA's intergovernmental thrust is the state plan process. As you know, state governments are encouraged to take a leadership role in bringing about a more economical and coordinated approach to the use of IPA by the development of state plans. In my state we have created an advisory coordinating council which develops the state plan and determines funding priorities each year. This advisory council includes representatives from cities, counties, universities, state government, and the public. This approach has enabled California to maximize IPA program benefits, insure that priority state and local government needs are met, encourage intergovernmental cooperation, and promote greater efficiency and cost-effectiveness in the use of program resources.

While some states have developed viable approaches similar to California's to insure municipal participation in and benefit from the IPA program, we are concerned that in a sizable number of states the decisionmaking and fund allocation appear to be performed exclusively by the state government. Particularly disturbing to us are those states which retain most or all of the local government IPA share at the state level and provide services, rather than direct grants, to municipal governments. In the majority of these cases, local governments have little opportunity to comment on or determine the kind of services which the state provides. We believe that criteria should be developed which would require states to develop mechanisms to insure municipal participation in the local share decisionmaking and allocation processes, as well as in the planning and priority-setting processes for IPA funds. If the state did not develop such mechanisms within a reasonable period of time, we would urge that the local government IPA share pass through the state to local governments directly. This approach would seek to retain the documented benefits of statewide planning where there is full participation by local governments, while insuring that local government needs would not go unmet if a state proved unwilling to allow meaningful local government involvement.

I should stress that from our perspective the critical issue is not whether a state has developed a state plan, but whether there is municipal government participation in IPA planning and funding. Vermont, for example, does not have a formal state plan, but local needs are met through an arrangement whereby the state municipal league, an instrumentality of all communities in the state, administers the local share of IPA funds. We believe that more evaluation of the state plan and local share determination processes is needed. We hope that full exploration of these issues will be an important component of the IPA evaluation which staff of the Civil Service Commission discussed with you yesterday.

My previous remarks focused on why cities need IPA assistance, how they are using this aid, and how the intergovernmental impact of IPA could be strengthened by greater local participation in the state planning process. I would now like to discuss briefly action Congress must take to insure continued effective operation of the IPA program. I refer specifically to the Civil Service Commission's proposed amendments to the program, which were discussed in some detail here yesterday and which have our full support.

From our perspective, the most important provision in the proposed amendments is the retention of the 75-25 matching requirement for three more years. In light of the fiscal condition of our state and local governments which I outlined earlier it is unrealistic to expect cities to give sufficient priority to needed personnel and

management improvements if they are required to equally match the Federal share. A 50-50 match would discourage participation in the program from those jurisdictions most in need of assistance and would significantly reduce the overall utility of IPA as a resource to state and local governments.

We also support the Commission's amendments which would raise the Federal matching requirement for Government Service Fellowships to 75 percent and establish an obligated service requirement for fellowship recipients. These actions will increase state and local participation in the program and insure that jurisdictions receive an adequate return on their investment.

Finally, we support the Commission's amendments to provide greater flexibility and equity in the mobility provisions of the Act. This program of intergovernmental personnel transfers and talent sharing among different levels of government has been an extremely valuable one generally, and has been particularly beneficial to my own state, which leads the nation in the number of mobility assignments.

We urge this Committee to take prompt and favorable action on the entire package of amendments offered by the Commission to insure more effective and efficient operation of the IPA program in the future.

I would like to touch briefly on two other matters relating to the IPA program which may be of interest to the Committee. The first item relates to our perceptions of the work and recommendations of the President's Advisory Council on Intergovernmental Personnel Policy. We believe that the Council exercised good judgment and effective leadership in its decision to focus on four critical and sensitive areas in public personnel policy: merit principles and systems, equal employment opportunity, labor-management relations, and workforce development for state and local governments. Some of our members have raised questions about how the Council's recommendations might impact on local governments. We have not had sufficient time since the issuance of the second report of the Council to make a thorough assessment of the effects on cities. We would be happy to submit our views on these topics at a later time or in another type of forum if the Committee so requests.

Finally, it is our understanding that this Committee will consider additional amendments to the IPA program offered by public employee representatives. These amendments would call upon the Civil Service Commission to recognize the right of public employees to participate in the formulation and implementation of policies affecting their employment, and make recognized employee unions eligible recipients of IPA training grants. We believe that these amendments are inconsistent with the legislative intent of the Act and will create serious administrative difficulties for the Civil Service Commission. These problems are further compounded by amendatory language which is subject to multiple and confusing interpretations.

The basic intent of IPA is to improve the quality of government by assisting state and local jurisdictions to strengthen their systems of personnel administration in accordance with merit principles. As part of this assistance, the Commission is authorized to provide grants to state and local governments for employee training. Public employee organizations are ineligible for direct funding as grant recipients, but union representatives are eligible to participate in IPA-supported training programs in a number of areas which meet the dual criteria of improving employee performance and the quality of public service as a whole.

The proposed amendments offered by public employee representatives do little to alter the scope or range of training activities which are currently eligible for funding, but they do create numerous new and unnecessary problems. Some of our specific concerns, which center around Section 304 of the Act, are:

(1) No definition is provided for a "recognized" employee organization, and it is unclear whether such "recognition" is granted by its members, its state or national association, or by state and local governments. No provisions are included for states who do not yet recognize public employee unions. In addition, the word "recognized" does not appear in any of the other Sections which are proposed for amendment.

(2) The language "including, but not limited to" is so broad that IPA funds could be used to train union employees in political education and organizing techniques, job actions, and internal union administration. We believe such uses of IPA money would be contrary to the intent of Congress.

(3) The amendatory language would provide training not only to members of existing recognized employee groups, but to all organized or unorganized em-

ployees of state and local governments. We cannot believe that Congress intended IPA funds to be used as a lever to promote unionization at the local level.

(4) Conspicuously absent from the proposed amendments to this section are the requirements imposed on other training programs: that they be requested by the jurisdiction, that they meet Civil Service Commission regulations, and that the capability to provide training in the subject area does not exist or is not readily available.

Similar problems exist with the language proposed for other sections of the Act. In addition to the broad definition of an "employee organization" which appears in Section 502, we are particularly concerned about the proposed amendments to Section 3 of the Act. The proposed amendments would directly contradict the Commission's existing mandate to "recognize fully the rights, powers, and responsibilities of State and local governments" by providing the Federal government with yet another mandate—that of recognizing the right of public employees to bargain collectively. We believe that legislative hearings on the IPA program are not the proper forum for this debate, and are convinced that the IPA program will be ill-served by attempts to present major issues of this kind as mere amendatory language to a small, Federal grant-in-aid program.

This concludes my testimony before this Committee. I apologize for the lengthiness of my remarks, but hope that this broad overview has been useful to the members in setting priorities for the IPA program in the coming year. Thank you for allowing us the opportunity to present our views on this important program.

Mr. CLAY. Thank you. I have a couple of questions and any of you who care to may respond to them.

It seems that most of the witnesses, including you, have been very enthusiastic about this program and have praised it for being very effective. But, on the other hand, there seems to be a great reluctance on the part of State and local communities to use some of their revenue-sharing money to pay for this program. Why is that?

Mr. BENNINGHOVEN. We are in trouble financially in California. We have an imposed limitation on our tax rate that was just imposed 3 years ago now and cities are really in trouble.

Mr. CLAY. More trouble than us with this \$60 billion deficit?

Mr. BENNINGHOVEN. Well, again these are different kinds of programs and it is very difficult to convince the governing body that you ought to put this kind of money into a team management kind of concept instead of putting money into streets.

So, for that reason, we are very strong in our feeling that that 25-75 ought to continue, because I think that has been the incentive to do some very interesting kind of things.

Mr. CLAY. Thank you. Are there other comments?

Mr. MARTIN. The continuation of the 75-25 is not a raising of the Federal dollar commitment. It is my understanding it would still be at \$15 million. It might increase the competition among State and local governments for the funds.

Federal aid, OMB and President's budget is \$3 billion proposed more than last year, \$2 billion of which is the proposed energy-sharing programs which I don't think anybody in Congress thinks will go through. The other is \$1 billion Federal aid across the board. We are going to need twice that much for the matching medicaid and medicare, 50-percent matching at the State level, just on that one. We have run out of matching on the highway program in 32 States.

So when we asked for the continuation of the 75-25 match, that doesn't mean more Federal money. It is the same level of funding. Of

course, we asked for Government funding last year and we will probably do the same in appropriations hearings.

But at the \$15 million level it is the same amount of money.

Mr. CLAY. In your opinion, what will be the effect if the Federal matching share decreases to 50 percent July 1?

Mr. MARTIN. I think you would find a lot of States who would find this program, because it isn't a high priority program, would be one of the first where they would say "We have only got \$5 to spend. Are we going to spend it on training our employees? Are we going to spend it on matching medicaid and medicare which the law tells us to do? We will do what the law tells us we have to do and for those programs we don't have to, we will just have to wait a while and drop out of the program for a while."

Mr. CLAY. So we will probably find States who are not in financial trouble receiving all this money because other States cannot afford to put up their matching share.

Mr. MARTIN. That is a possibility.

Mr. CLAY. Mr. Benninghoven. I do not know exactly what the AFSCME spokesmen got across here. As I understand it, what they were saying was in instances where Federal money is being spent to accumulate these data banks, to train people who sit on one side of the bargaining table, that certainly that money should not be used exclusively for one side, and the information in those data banks ought to be made available to both sides that are bargaining.

Do you disagree with the information in the data banks being made available to both parties?

Mr. BENNINGHOVEN. No; I don't. In fact, we do have a data bank in California and it consists of salary information, and it is on computers. And that data is essential for bargaining. Both sides use it.

Our definition of bargaining in good faith requires that both sides have the information. The unions have been very receptive to having that quality of information. And we have heard no complaint about that fact—in fact, you start from a different base. When you have information you can agree on that is accurate and up to date and complete, it just improves the whole bargaining situation and I think there has been a much better feeling in California as a result of that.

Mr. CLAY. Thank you.

Mr. Solarz.

Mr. SOLARZ. Mr. Benninghoven, you indicated in your testimony that one of the problems you had with the act was the extent to which local governments are, from time to time, precluded from participation in this. And you said you thought perhaps there ought to be some effort to correct this inequity.

Do you have any specific suggestions for an amendment to the bill which would deal with that problem? And could you perhaps elaborate somewhat on what the precise nature of the problem is?

Mr. BENNINGHOVEN. Well, you only can respond to your own experience, and the experience in your State. We do have them all involved. And they are tough people because I think they are harder on their colleagues than if they weren't really informed about that level of government. It has worked very well. I think they also feel they have someone who represents them there when they plead their case for the grants. And only about 50 percent of the grants are actually awarded because there is not enough money.

So I am using that model, saying: Why not have criteria nationally that would require that the cities and counties and Governors be represented on an advisory council to make allocations within that State?

Mr. SOLARZ. Are the local jurisdictions under the act required to apply directly for funds?

Mr. BENNINGHOVEN. If they have 50,000 population.

Mr. SOLARZ. You also indicated that you had some objections to the proposed changes in the law which were recommended by the spokesman for the American Federation of State, County, and Municipal Employees. And one of your concerns, I think, is that, to the extent there is a possibility the funds would be available for, in effect, union organizing, this would be inconsistent with the original purposes of the act.

Would you be opposed to such an amendment if it were made crystal clear that union eligibility for funds under the terms of this program would be only for programs that were designed to enable them to participate more effectively in the collective bargaining process, that is to say, an amendment which specifically precluded the possibility of Federal grants for organizational activity?

Mr. BENNINGHOVEN. I think it would be much better to go the other way and say that where the funds are being used for training for collective bargaining techniques, those training programs be opened to employees on both sides of the table.

I think it is really a subservice act to include public service. When you are beginning to give the funds or make it possible to give funds to a private organization unconnected with government, really—and that is the union's purpose—it would be a mistake. It would be better to keep it within the context of the original act, which is to improve the public service but open the training sessions to all.

Mr. SOLARZ. I think you may have a situation here where it is six of one and half a dozen of the other. You would run into the same problem if you would permit the private organizations to participate—

Mr. BENNINGHOVEN. Not if they are public employees. If you are talking about stewards or public employees who are at that level representing organizations then they are eligible now to participate in those training programs. And that ought to be open to them, I think.

Mr. SOLARZ. Under the terms of the existing legislation, though, it is not by law open to them. The governmental union which receives the funds could open it to them but, on the other hand, it might not.

Mr. BENNINGHOVEN. That is conceivable.

Mr. SOLARZ. And I gather one of the problems is in point of fact they have not been opened to participation by public employee unions.

Mr. BENNINGHOVEN. I am not aware of that, as I said. Our UCLA example, as I said, is open and has been open and I think very helpful to both sides.

Mr. SOLARZ. Thank you.

Mr. CLAY. Thank you, Mr. Solarz.

Mrs. Spellman.

Mrs. SPELLMAN. I have heard some excellent suggestions here today. Of course, as I said, I start out being prejudiced and anything John Morrissey said I would buy, and I felt Jim Martin could never say

anything wrong. The League of Cities and I usually get along pretty well— and State governments—well. [Laughter.]

But I would like to take the recommendation that Jim Martin made and try it on for size among the rest of you.

I know that the National Governors' Conference and the League of Cities—and I have served with the Conference of State Governments on their committees—I know that you can get the message across to a good many people, a good many units of government around the country if you have people available to you.

Jim, you have suggested that maybe there be people assigned to the Conference of Governors who could carry the message around the country. It makes very good sense to me.

At the moment you cannot participate in the program that way?

MR. MARTIN. A State official cannot be transferred to our office under the IPA program. A Federal official can but not a State official.

MRS. SPELLMAN. How about that, John? If people were detailed to NACO, don't you think we could get the message to hundreds of thousands?

MR. MORRISSEY. Yes, I think Jim had an excellent idea, as I understand the concept. NACO is the means of interpretation across the country and interprets for us on a local level what is happening in Washington. To have the services of people of diverse backgrounds would certainly enhance their ability to communicate.

MR. SPELLMAN. That really makes good sense.

How about the League of Cities? Do you feel that would be helpful to you?

MR. BENNINGHOVEN. We would be very interested.

Senator OGDahl. I have no objection. We know State legislatures have to get more involved. In the State of Minnesota we have no problem with local government. It seems to us almost like a plague of locusts. We love it because we do get the information. And I suppose relating back to the chairman's initial question about funding, Minnesota has less than 4 million people and we funded a lot of these special programs for our legislators and our staffs with zeal. We do happen to have a \$1 billion surplus. How we ever got there at this stage, we don't know.

But also in my travels I find out that my fellow States do not have these surpluses.

They are very appreciative of the IPA programs. They are not highly identifiable. They do want to participate but they are held back. That is why I think the 75-25 is almost too imperative for inducing these people. You won't have too much trouble with us until we spend the \$1 billion. I think the Governor has some ideas. He likes to do things for the State and so do we, but it seems inappropriate at this time. If we can whet the appetites of the other States we can get them here and we give them, we feel, good information through the training programs.

Of course, we are a little jealous anyway. The State legislatures only had a handle on \$173,000 of this IPA budget the last few times so we would like to have a little bigger cut of it and a little more to say about it and we think we can become more effective.

Mrs. SPELLMAN. The idea, too, that the various units who are going to be involved should participate in the decisionmaking process makes a lot of sense to me.

I might say I am sure the Washington area is not unique but all of us here read the Metropolitan Washington papers so we know the county governments, and here the counties are for the most part the principal units of government, except for the city of Washington, and they are all in financial trouble, and a number have put a hiring freeze on. So they can't participate in the program without help. But it is exactly the time when they are in trouble they should have a fresh view brought in from outside to perhaps help them with some of the changes that need to be made.

So I can appreciate some of the things that you are saying about the funding here.

Thank you very much.

Mr. CLAY. Thank you, Mrs. Spellman.

I was wondering, Mr. Martin. You made a proposal sort of off the cuff. I wonder if you could give us some language in writing on the proposal.

And Mr. Benninghoven, you suggested some clarifying language and I wonder if you could do the same for us.

Mr. BENNINGHOVEN. I would be happy to.

Mr. CLAY. Within the next couple of days because we would like to mark this bill up perhaps by the end of next week or the following week, so if you can get it to us as soon as possible, we would appreciate it. I certainly do want to thank you for your testimony.

Mr. MARTIN. Thank you, Mr. Chairman.

[The following response was furnished:]

NATIONAL LEAGUE OF CITIES,
Washington, D.C., March 13, 1975.

Hon. WILLIAM CLAY,

Chairman, Subcommittee on Employee Political Rights and Intergovernmental Programs, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN CLAY: At the Intergovernmental Personnel Act (IPA) hearings on March 5, you requested our organization to provide your Subcommittee with additional information detailing our views on the IPA state plan process and on the proposed amendments to the program which the American Federation of State, County and Municipal Employees (AFSCME) have submitted to your Subcommittee. We are pleased to provide these comments and hope that your Subcommittee will give them full consideration.

It is our general view that any changes in the program should both maintain its integrity as a state and local government assistance program and improve overall IPA equity and efficiency. It was on the basis of these criteria that we testified before your Subcommittee in support of the Civil Service Commission's proposed amendments, in opposition to the changes suggested by AFSCME, and in favor of amendments to the IPA which would strengthen local participation in the state plan process.

With respect to the AFSCME amendments, we would like to reiterate our position on the use of IPA funds for labor-management training. Union representatives currently are eligible to participate in IPA-supported training programs in a number of areas which meet the dual criteria of improving employee performance and the quality of public service as a whole. In his testimony before your Subcommittee, Mr. Benninghoven cited the example of an IPA-funded program on collective bargaining techniques at UCLA which is open to union employees, management, and the general public. It is our belief that such joint or coordinated training programs clearly fall within the basic intent of IPA, which

is to improve the quality of government by assisting state and local jurisdictions strengthen their systems of personnel administration.

The AFSCME amendments do not significantly alter the scope or type of training activities which are currently eligible for funding, but they do create many new and unnecessary problems. We believe that the cooperative training which is presently possible under IPA should be utilized before substantive revisions to the Act are contemplated.

We noted both our general and specific objectives to the AFSCME amendments in our testimony last week. Our comments were directed at the proposals which AFSCME submitted in the last session of Congress. Since there are some differences between the new and old AFSCME amendments, we would like to supplement our testimony by adding the following remarks:

Section 2: Since the new amendments do not call for any changes in this Section, our specific objections are no longer relevant. We continue to be concerned, however, with the broader questions of public policy outlined on pages 14-15 of our testimony.

Section 304: The deletion of the word "recognized" from previous draft amendatory language has serious implications for the IPA program. When coupled with the extremely broad definition of an "employee organization" in Section 502, this Section could provide a mandate to any group—however small, unrepresentative, unrecognized, or unorganized—to apply for IPA funds. This situation is further exacerbated by language which we feel is unclear in some instances and contrary to the intent of Congress in others (see points 2, 3, and 4 on page 13 of our testimony). We are strongly opposed to the adoption of this entire section.

Section 3: We also are strongly opposed to the proposed amendments to this Section, which would directly contradict the Civil Service Commission's existing mandate in Section 3(2). The issue of the role of the Federal government in state and local labor relations is not one which should be dealt with in the context of the IPA program.

As an extension of our position on Section 304, we oppose the adoption of AFSCME's proposed deletion to Section 301 and additions to Section 502.

With respect to the IPA state plan process, we support the development of measures and criteria which would insure local government participation in the local share decisionmaking and allocation processes. As currently stated in Sections 203(a) and 303(c) of the Act, prohibitive language is used to discuss a variety of conditions under which grants may not be awarded. Due to the confusing nature of this language, many varying interpretations have been placed upon the appropriate role of local governments in the state plan process. As a result, local governments in some states have not participated as full partners or received full benefit from the IPA program.

We feel that a constructive approach to this problem would be to insert language which encourages consultation, coordination, and shared decisionmaking in the planning and utilization of IPA funds. This would provide a favorable climate for states to take their proper leadership role in the state plan process, but would guarantee that the vital interests and concerns of local governments are adequately represented. This broad mandate for cooperation could then be further refined in guidelines to the Act which would insure that local governments have both a forum and a procedure for determining the uses to which local share IPA funds are put.

Specifically, we urge the deletion of the second sentences of Sections 203(a) and 303(c) and recommend their replacement in each case with the following language: "Grants made under the provisions of this Section should provide for the substantial and continuing participation of local officials or their representatives in all significant aspects of the planning, administration, decisionmaking, and allocation procedures involving local share funds. Appropriate participatory mechanisms shall be developed jointly by the Governor and eligible local governments or their representatives in the State."

Thank you for your interest in our views on this important program. We would appreciate it if this supplementary statement could be added to the record.

Sincerely,

ALLEN E. PRITCHARD, JR.,
Executive Vice President.

Mr. CLAY, Mr. Berlin and Mr. Parker, from the American Society for Public Administration, are the next witnesses.

STATEMENT OF SEYMOUR BERLIN, EXECUTIVE DIRECTOR, AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION, ACCOMPANIED BY THOMAS PARKER

Mr. BERLIN. Mr. Chairman and members of the subcommittee, I have submitted a statement and in the interest of the committee's time perhaps I could summarize it very briefly.

Mr. CLAY. All right.

Mr. BERLIN. Thank you, sir.

I am Seymour Berlin, executive director of the American Society for Public Administration. With me today is Thomas Parker of our staff who is responsible for public policy and legislative matters.

Our society, consisting of professional public administrators and administrators at all levels of government, and a large share of academics from over 150-some colleges and universities, is, of course, interested in effective public administration and the management of the public's business.

And I think it is interesting to note that insofar as the IPA is concerned, that in the last several years when ASPA undertook an examination of the goals and objectives of effective public administration in this country, it dedicated itself and adopted as one of its major goals support of the activities conducted under the IPA program. Therefore we think that your hearings, Mr. Chairman, and the activity of this committee and the Congress on the IPA is most significant at this time.

I would like to mention that we believe the sweeping nature of the program and all the statistics and information that have been supplied to us, and I am sure to this committee, by the various local and State government representatives as well as by representatives of the Civil Service Commission, indicate that much has taken place.

Certainly the IPA legislation has contributed significantly to the program of capacity building for local and State officials who are called upon increasingly to assume greater responsibilities in carrying out our public programs. And I think we would have to say that any action that would interrupt or reverse these activities would be regrettable and therefore I am sure our organization would wholeheartedly and strongly support a proposal that would maintain the Federal share of the grant program at its current 75 percent level rather than reducing it to 50 percent.

I would also like to make special mention of the proposed amendments which would authorize grants to State and local governments for up to 75 percent of the salary of recipients of Government service fellowships for State and local personnel.

Currently, such grants may cover reimbursements to State and local governments of only up to 25 percent of the salary of each fellow during the fellowship period, and we think that the change is needed. This has been a little-used part of the act.

We think that some additional benefits to the States and localities could certainly accrue if the change on these fellowships were made as proposed by the administration and as proposed by the advisory

group that advised the Civil Service Commission and the President on the operations of the IPA in the past.

I do want to say that we are very much interested in the current recommendation of the administration in its current budget request that a total evaluation of the IPA be undertaken. We understand that \$300,000 has been earmarked for this purpose in the current budget.

We further understand that this evaluation would be conducted by or under the stewardship of the Civil Service Commission.

We think this is an excellent approach. However, we do believe there ought to be additional evaluation of the legislation and the programs by organizations that do not have day-to-day stewardship responsibility for carrying out the program.

We say this especially in view of the fact that the comments that I have heard from our membership and our activities throughout the country have been glowing in terms of the operation of the IPA and the stewardship and management by its director, Joe Robertson. And we think an independent evaluation would lend more credibility and be less self-serving than if it were made by the organization that, in our opinion, is doing such an excellent job in carrying out the program.

Also, we are a little concerned that if the administration strictly carries out the evaluation, a label of administrative confidentiality might be put on it and we would not be able to obtain results of the evaluation, or not obtain them on a timely basis, in order to look at this from a professional organizational standpoint.

Mr. Chairman, our organization also wishes to indicate that insofar as we see it, the IPA is a minute portion of the Federal budget. And when we are talking about building the ability of persons to carry out the public's programs, we are talking of a much larger issue, not merely the amount contained in the budget for the IPA which our organization has gone on record as being inadequate to carry out the purposes of the IPA.

Finally, let me state, Mr. Chairman, that the impression is too frequently given on Capitol Hill that good public administration is only of interest to the agencies or to the public service, itself. In fact, if my memory serves me, when Congressman Quie introduced the administration's proposals last year he made mention of the fact that too little is heard from the persons interested in good government throughout the country.

I can assure you that our professional organization, as well as other professional organizations and interest groups are most interested in this legislation and in the operations of the Intergovernmental Personnel Act.

You have heard before and I would like to reiterate it again that this is one of the most imaginatively operated grant programs that we know of in terms of the lack of restrictions, the fact that 80 percent of the formula funding to the states for statewide plans are operating without too much bureaucratic reviews and approvals at all levels of government. We think this program with the modifications presented by the administration is most fundamental to carrying out the purposes of government.

Thank you, Mr. Chairman, for this opportunity to give you our statement.

Mr. CLAY. Thank you.

[The prepared statement follows:]

STATEMENT OF SEYMOUR S. BERLIN, EXECUTIVE DIRECTOR,
AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION

Mr. Chairman and members of the subcommittee, thank you for inviting the American Society for Public Administration to appear before you to share our views concerning the Intergovernmental Personnel Act and possible amendments to that legislation. I am Seymour S. Berlin, Executive Director of the American Society for Public Administration. With me today is Thomas E. Parker of our staff who is responsible for public policy and legislative matters.

The American Society for Public Administration (ASPA) is a national organization whose members are professional public administrators and scholars dedicated to advancing the science, processes and art of public administration. Organized in 1939 we are a broadly representative body of elected officials and career public administrators located at the local, state and federal levels of government. A substantial portion of our membership comes from the academic community, who are involved in research and teaching of public administration and public affairs. We represent approximately 16,000 members and subscribers throughout the country. We have 86 chapters within 6 broad regions of the country.

Affiliated with our organization is the National Association of Schools of Public Affairs and Administration (NASPAA), which is a national organization consisting of approximately 150 colleges and universities that have programs in public administration and public affairs. The Society has as its affiliate the Conference of Minority Public Administration (COMPA), which consists of Black, Mexican American, Puerto Rico, Indian and Oriental members of the public administration community.

As I previously indicated, the primary purpose of our organization is to further effective public administration at all levels of government so that there can be ever-increasing improvements in the way in which the public's business is carried out and the way in which citizens are served by their governments. In furtherance of this effort, ASPA provides the forum for meaningful interchange among practitioners and academics and, through this process, permits our diverse membership to analyze critically and to take official positions on matters concerning the improvement and advancement of public administration.

In this connection it is interesting to note that when ASPA recently undertook an intensive study of the goals and objectives toward which the Society should dedicate itself, it adopted as one of its major goals support of and participation in activities conducted under the Intergovernmental Personnel Act. Therefore, Mr. Chairman, the subject matter of your hearings today is of most significance to our professional organization and we will be most interested in the results of these hearings as we move into the future.

I am sure that your committee has been provided by the U.S. Civil Service Commission with the detailing of the projects and accomplishments that have taken place since the IPA became operational. As we look at the scope of the activities that have taken place, they appear most impressive in the aggregate. Just to highlight a few for example: More than \$52 million in federal funds have been included in grants to state and local chief executives to help strengthen personnel management and to train employees. When one includes the matching contributions from the state and local governments, this amounts to an overall effort of \$70 million. Since 1971, more than 2,000 persons in the Federal, State, and local governments and universities have accepted "intergovernmental mobility assignments". Thirty-nine intergovernmental job information centers now operate throughout the country, offering single-source information on state, county, municipal, and federal jobs. In addition, more than 41,000 state and local employees have attended training workshops sponsored under the IPA by the U.S. Civil Service Commission. IPA technical assistance grants have also been used to promote equal employment opportunities, train local government legislators and newly elected governors, conduct occupational safety programs, fund state employee newsletters, examine the educational and training needs of county homes, and produce specialized accounting manuals for local officials.

Obviously, this listing of activities does not describe in any adequate manner what has taken place. But the sweeping nature of the program would indicate that much has taken place and that the IPA legislation has contributed significantly to the program of capacity building for local and state officials who are

called upon increasingly to assume greater responsibilities in carrying out public programs. I should like to stress therefore that our organization has a high regard for the record of innovation and constructive accomplishments achieved by the states and localities under the IPA. Needless to say, we would not want this history of progress to be interrupted or perhaps even reversed as a result of inadequate funding or as a result of requiring too great a matching contribution from the states and localities in relation to the federal share of the grant programs. In July of 1973 ASPA took an official position supporting appropriations for the grant-in-aid portion of the IPA for fiscal year 1974 above that which the Administration was recommending. I might add that the \$15 million being recommended by the Administration for fiscal year 1976 is below the \$21 million level which we thought was needed to support adequately the IPA activities during that earlier period.

Our organization has not taken a specific stand on the recommendations made by the Administration during the 93rd Congress. I am sure, however, that based on my contacts with our chapters and various key persons throughout the country that any action which would have the effect of diminishing or reversing the constructive program accomplishments of states and localities under the IPA would be viewed as most regrettable by ASPA. For this reason I believe that our organization would strongly support a legislative proposal that would maintain the federal share of the grant program at 75% rather than reducing it to 50%.

Because of our organization's interest in the continuous education of the public administrators at all levels of government, I should make special mention of the proposed amendments previously made by the Administration which would authorize grants to state and local governments for up to 75% of the salary of recipients of government service fellowships for state and local personnel. Currently, such grants may cover reimbursements to state and local governments of only up to 25% of the salary of each fellow during the fellowship period. In addition, the proposed amendments would exempt funds specifically appropriated for governmental fellowship grants from allocation requirements and would grant a separate authorization for such funds. Here again I am sure that our organization would be most supportive of such legislative amendments to the IPA, including the recommendation with respect to obligated service requirements of recipients of fellowships.

In summary, with respect to legislative changes that have been proposed or that might result from these hearings, I am reasonably certain that ASPA would be strongly supportive since we are committed to doing anything we can as an organization to assist in bringing about a better and more effectively managed Intergovernmental Personnel Program.

There is no doubt that improvements can be made in the Act and in its administration. We have noted with great interest that the Administration in its current budget request has included an item under the Intergovernmental Personnel Act activities of the Civil Service Commission to conduct an evaluation of the Intergovernmental Personnel Act programs. It is our understanding that \$300,000 has been earmarked for this purpose. It is our further understanding that this evaluation would be conducted by or under the stewardship of the U.S. Civil Service Commission.

We think that this is a step in the right direction. Our Committee on Public Policy is in the process of preparing a position paper on the training and development of public administrators. One of the items that it discusses is the need for an evaluation of the activities and programs under the IPA in order to determine our future organizational position and to indicate where changes in legislation or operational approaches should be made. I therefore feel confident that our organization would support such an evaluation effort.

I do wish to express one reservation, however. While the proposed evaluation is highly desirable, we do believe that an evaluation of the legislation and programs under it should be conducted additionally by an organization that does not have the day-to-day stewardship responsibility for carrying out the program. In this way a much wider segment of the public administration community could be involved in the assessment process. And most importantly, the results of the evaluation would have more credibility and appear to be less self-servicing than that made by the organization having day-to-day responsibility for operations.

Also, we think that the IPA legislation and programs thereunder are so vital to improved governmental services that the evaluation of its operations should be made by a group that would openly publicize its findings and recommenda-

tions. If history is any teacher, we might find that the evaluation proposed to be made under funds contained in the Administration's budget proposal and would remain a matter of "administrative confidentiality" within the Administration. If this were to happen, public interest groups such as ASPA and others present here today would not have the opportunity to learn of the results of the evaluation or to receive them on a timely basis.

Mr. Chairman, I need not tell you that the money that has been appropriated under the IPA is a minute portion of the federal budget. When we are concerned with programs that have as their end objective the raising of the level of government personnel and management, the amount under discussion is miniscule compared to the money expended under the programs that the IPA hopes to improve. It therefore makes a good deal of sense, in our opinion, to review this landmark legislation, to evaluate its operations as effectively as possible, and to make whatever legislative and operational changes that appear to be indicated as soon as possible.

It seems that far too frequently the impression is given on Capitol Hill that good public administration is of interest only to the agencies involved. I can assure you that ASPA, as well as other professional organizations, are most interested in the outcome of your hearings. I can further state that our organization is most appreciative of the efforts being made by your committee in carrying out its oversight responsibilities for the IPA. I know I am speaking for our organization in pledging to you all possible assistance in carrying out your committee's most vital responsibility in this regard.

Let me thank you, Mr. Chairman, and other members of this committee, for this opportunity to present our comments and to pledge our assistance to your work.

Mr. CLAY. Mr. Parker, did you want to supplement in any way?

Mr. PARKER. No, Mr. Chairman. However, I do want to commend your committee on conducting these oversight hearings.

Mr. CLAY. Thank you.

Yesterday the Civil Service Commission indicated they would conduct an extensive evaluation of the IPA program, particularly the matching share provision.

Given this pending evaluation, do you not think that it is premature to request maintaining a 75 percent Federal matching*share at this time?

Mr. BERLIN. Mr. Chairman, I would hesitate to think that a review process for the evaluation of the total program and the legislation should interfere with the ongoing momentum of a most effective program.

We have heard today and I have heard throughout the country that any action that would create a greater necessity for more matching funds on the part of local and State governments would be counterproductive to carrying out the purposes of the act in view of the financial situation of the localities and states.

Undoubtedly, evaluation is needed. But I don't believe we are starting out from a base of skepticism and a feeling that the program is inadequate.

I think we are starting out from a base that the program has in a short period of time, with a limited amount of funds, produced a tremendous impact throughout the country.

We are saying that we think that because of this we ought to get a more effective evaluation and it ought to be done both within the Government and outside the Civil Service Commission. But I don't think that evaluation efforts, Mr. Chairman, should serve to interfere and interrupt the progress of the good things we hear about the program today.

Mr. CLAY. Do you think that perhaps Congress should authorize a continuation of this program for a specific period of time, say 3 or 5 years?

Mr. BERLIN. Certainly at least three, because if history serves me, by the time the evaluation is made and reviewed and considered, more than 1 or 2 years might take place.

But I think like any program that ought to have some of its own self-destruct capability, it ought to be reviewed periodically and it would seem to me 3 to 5 years would appear reasonable, Mr. Chairman.

Mr. CLAY. Could we have your reaction to the proposed amendment proposed by AFSCME.

Mr. BERLIN. I can give you my reaction but only as an individual because our organization has not taken any stand on it.

My feeling is, first of all, that the IPA was meant to improve managements' capacity for carrying out the public's programs better and serving the public and the public interest.

To the extent that it is desirable to have a mature, effective collective bargaining situation in local and State governments, it would be desirable to assist in seeing to it that both parties were properly prepared to carry out on a responsible basis their roles in this activity.

However, I would agree with the comments made by the representative from the League of Cities, that the stress should be, in my opinion, sir, to having training and assistance on the bargaining process open to members of employee organizations, but not to give the money directly to employee organizations outside Government. Because I think this precedent would open the door to all sorts of other activities and the use of the money, and we are still talking about only \$15 million spread over thousands of projects and activities of which collective bargaining is only one small part.

Mr. CLAY. Mrs. Spellman.

Mrs. SPELLMAN. I have no questions. Thank you very much. It was excellent testimony.

Mr. BERLIN. Thank you.

Mr. CLAY. The minority members of the committee have prepared some questions and nobody is here to ask them and they asked me if I would pose those questions to you.

When you suggest any evaluation of the IPA program be conducted by an organization other than the Civil Service Commission, what particular organization or organizations are you suggesting?

Mr. BERLIN. Well, I can think of one, Mr. Chairman, the National Academy of Public Administration, for example, was called upon by Senator Ervin's committee in the last Congress to consider the implications of Watergate, and made quite an effective report to the Congress and to the public.

I think some organization that is interested in good government, that has a relationship and linkage with the public administration communities at all levels, and the scholars and the academics, ought to take a look at this in terms of its short- and long-range implication in the interest of effective public administration.

So I would recommend an organization of that type, involving components from local and State government and the university world.

I use that as one example.

Mr. CLAY. Are you also suggesting that the budgeted \$100,000 be awarded to NAPA?

Mr. BERLIN. No, sir, I really don't know how much it would take or what the sum would be.

Mr. CLAY. Well, that is the sum that is proposed for the Civil Service Commission, I understand, to conduct it.

Mr. BERLIN. Yes, sir. I would assume that would continue. I was suggesting an additional evaluation, looking at it from outside the government, involving local and State governments and universities, so that the Congress could be assured, not only from the agency responsible for stewardship but from the general public responsibility viewpoint.

Mr. CLAY. Is the NAPA an arm of the Government?

Mr. BERLIN. No, sir.

Mr. CLAY. And you suggest we give \$300,000 to an organization outside the Government but you see some—

Mr. BERLIN. I'm sorry; I didn't make myself clear. I was not suggesting the money be given from the Government to the NAPA to do that study but rather that a contract for services occur. The Government has contracted in many instances with the Academy of Sciences; to make studies on food and drugs, in one example. It has contracted in the past with the National Academy of Public Administration to make studies; in fact to be an agent under contract to provide a service to the Government. And in this instance I was suggesting that this might be possible. I wasn't suggesting that money be given to the Academy to go its own way, Mr. Chairman.

Mr. CLAY. How does that differ from contracting with an employee organization? What is the basic difference?

Mr. BERLIN. Well, I am not suggesting, Mr. Chairman, that the Government give money to the National Academy to prepare its staff to do a better job of representing the public administration community. I am suggesting that the Government contract to purchase a service.

In that respect I think it is different. If the Government were purchasing a service from the employee unions it would be the same. But it is my understanding that the recommendation of AFSCME was to have moneys given to it to prepare its people to do a better job for its own organizational purposes. And from that standpoint, I think there is a difference, sir.

Mr. CLAY. That is precisely what they recommended.

Mr. BERLIN. Right, sir.

Mr. CLAY. On page 3 of your statement you state your organization has a high regard for the record of innovation and constructive accomplishments achieved by the States and localities under the IPA.

Please detail these innovative and constructive accomplishments.

Mr. BERLIN. Well, our problem, Mr. Chairman, is to focus in on the vast amount of material that we have received both from local and State governments and from the Civil Service Commission.

I have just had called to my attention, for example, an interesting study entitled "Training Can Make a Difference," which the Civil Service Commission contracted with two persons outside the Federal Government to make a study of training.

For example, the preface indicates that the State of Indiana had to put into operation a new accounting system, a new auditing system. It did, on a pilot basis, take 44 auditors and train them to see whether the training made a difference. It increased productivity very greatly. The State gained greatly as a result of the use of IPA money for this training purpose.

The information we have received from the Civil Service Commission and from the State persons throughout the country is replete with this kind of information, and it would be difficult, I think, to single out any one, but I think much exists.

Mr. CLAY. Thank you.

One last question.

You state your organization has not taken a specific stand on the legislative recommendation of the administration in the 93d Congress. Do you intend to take a position in the near future?

Mr. BERLIN. Yes.

Mr. CLAY. Thank you. We certainly want to thank you for your testimony.

Mr. BERLIN. Thank you for this opportunity, Mr. Chairman.

Mr. CLAY. The next witness will be John A. McCart, from the Public Employee Department of the AFL-CIO.

We have a copy of your statement and it will be inserted in the record after your comments.

STATEMENT OF JOHN A. MCCART, ACTING EXECUTIVE DIRECTOR, PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO

Mr. MCCART. Gentlemen, I would be happy to file my statement for the record and to summarize the views that are contained therein. Some of the points that are included in our statement have already been covered. There is no need for me to recite them in text.

I am John A. McCart. I am the acting executive director of the Public Employee Department of the AFL-CIO. This is a new department in the AFL-CIO family that was founded to serve the interests of employees of Federal, State, and local government and the Postal Service who are members of the 27 unions associated with the department.

We want to commend the subcommittee, Mr. Chairman, for undertaking this review of the IPA. We have several positive recommendations to offer in that connection.

I gather that you are considering immediate action. That is desirable in terms of the urgency of the fund-sharing problem. Hopefully, however, the subcommittee's review of the program can continue.

One of the suggestions we have is that the subcommittee look carefully into the numbers and types, occupations, and grades of employees who are currently participating in the program on either the Federal side or the State and local government side.

The matter of collective bargaining has been discussed at some length. I can well recall that when the Congress was considering this legislation from 1967 to 1970, that the question was an important part of the consideration of the committees.

We feel that the present statute approaches the matter of collective bargaining negatively in terms of making certain that no existing col-

lective bargaining process under a State or local ordinance is impaired by the act.

But in view of what has happened in the last decade in public service with respect to union organization, we believe it would be more appropriate to insert that provision in a positive fashion in its declaration of policy, so that it will be a part of the basic thrust of the whole legislation.

The question of participation of unions as grantees under the program has been raised.

We subscribe to the principle that unions should be permitted to apply for grants for specific purposes under the act.

I might add in that connection, Mr. Chairman, that while our statement refers in several places to collective bargaining per se, since many of the State and local jurisdictions have either meet-and-confer policies or consultation laws and ordinances, we believe that it should not be confined to collective bargaining. Perhaps a better description might be labor relations, in order to make sure that all the jurisdictions are encompassed.

With respect to the Advisory Council that was created under the original act, it is our understanding that the Council was permitted to die in 1974.

We believe that it should be revived, particularly since this is a rather young program, and a program of considerable significance.

In addition to that, we think the method of manning the council should be reformed.

As it stood during its earlier existence, there were 16 members, 9 of whom represented State, local, and Federal government entities, so the remaining 6 seats on the council were divided among the educational institutions, the public and the unions, with the employee organizations holding 2 seats. We don't think that is an equitable share of the public and educational members vis-a-vis the Government members, and we don't think it is an equitable share for the employee organization members.

With respect to the recommendations that were advanced by the administration for amending the act, we find ourselves in general agreement with all of them.

The matter of retaining the 75-25 ratio is extremely important at the present time with the economic stress that our State and local governments are experiencing. It is more important than ever that the quality of public administration be maintained. We believe it is essential that the 75-25 percent ratio be retained, certainly for the immediate future.

Mr. Chairman, I would like to offer a brief comment, if I might, on the study that the Civil Service Commission has proposed. It certainly seems that after 4 years it would be quite timely for someone to review the entire program and evaluate its successes and its failures.

In recent years, an arm of the Congress has developed a rather large capability in the field of Federal personnel. It might very well be utilized to undertake the review of the IPA program. I refer to the General Accounting Office. Perhaps the study could be accomplished at much less cost than is now contemplated under the \$300,000 recommendation offered by the Civil Service Commission.

In summary, Mr. Chairman, we feel that the act is serving a quite useful purpose. Hopefully, it is as educational for the Federal administrators as it is assumed for the State and local administrators. We fully support its extension and continued funding so the quality of public personnel administration can be improved even more as the years pass.

That concludes my statement, Mr. Chairman.
[The prepared statement follows:]

STATEMENT OF THE PUBLIC EMPLOYEE DEPARTMENT, AFL-CIO

Mr. Chairman and members of the committee, I am John A. McCart, Acting Executive Director of the Public Employee Department, AFL-CIO.

The Department is a new component of the AFL-CIO. Twenty-seven unions representing workers in state and local governments, the federal service and the Postal Service are affiliated with it.

We wish to commend you and your Subcommittee for undertaking this inquiry into the operation of the Intergovernmental Personnel Act of 1970.

The philosophy underlying the statute is stated succinctly in Public Law 91-648: "That the quality of public service at all levels of government can be improved by the development of systems of personnel administration. That Federal financial and technical assistance to State and local governments for strengthening their personnel administration—is in the national interest."

How well these objectives have been met will entail in-depth scrutiny by the Subcommittee.

One of the key methods for improving personnel administration in the several jurisdictions is found in Titles III and IV, which permit an interchange of State, local and Federal Government workers so that they can absorb the best personnel practices in these entities and transfer this experience when they return to their original places of employment.

We believe that it would be useful for the Subcommittee to learn the number, grades and occupations of the employees who have been assigned to other government agencies for training under the IPA. Such information will aid in determining whether the plan is reaching the appropriate number of middle and lower level employees in the three types of government.

The growth of collective bargaining in public service in the past decade has been dramatic. During the extended consideration of the original legislation by Congress from 1967 to 1970, unions in public service emphasized the need for recognition of this development by inserting in the law acknowledgment of existing negotiated agreements and encouragement to workers and government officials to utilize the bargaining process in the future.

Section 208(f) of the IPA approaches the matter negatively by stating that participation of employees or their organizations in the development of personnel policies in accordance with state and local government statutes will not be prevented by the Act. The PED advocates that the language in the subsection be clarified and placed elsewhere as a positive declaration of policy so that there can be no misunderstanding about a possible conflict between bargained agreements and Federal, State, or local government merit systems.

Grantees under this program, other than state and local governments, are specified in Section 304(b). They include consortiums of state and local governments, associations of public officials and nonprofit organizations offering professional, research, development, educational or related services to governments. Until now, unions have not been able to qualify as grantees. We understand that the United States Civil Service Commission is currently reviewing the IPA to determine whether unions can apply. But to clear any confusion about the matter, the Act should be amended to permit unions, if they desire, to seek funds under the program.

We offer this recommendation on the premise that public service employees through their unions and collective bargaining can strengthen systems of personnel administration.

A fifteen-member Advisory Council was authorized under the 1970 IPA. It was composed of Federal, State and local government officials, educational institutions, public employee organizations and the public.

The PED believes that the ratio of these sources should be more specific. The Act requires that at least half the government members shall be officials of State and local governments. A total of nine government representatives sat on the Council. This means that the remainder of the seats—no more than six—were divided among three other groups. It would be more appropriate, in our view, to divide the representation among the five sources more equally. In any case, union representatives should equal as nearly as possible the number allocated to government officials.

We understand that the Advisory Council was abolished in 1974.

If the impetus provided by the IPA to improve personnel administration at all levels of government is to be sustained, the PED advocates that the Advisory Council be revived. Its role is particularly important in a program of such great significance, especially in these early years of its existence.

Your communication inviting the PED to testify on the IPA referred to several amendments proposed by the Executive Branch.

The proposals increasing the share of Federal funds for programming and salaries of fellowship recipients are certainly meritorious. All of us are aware of the dire financial situation facing many State and local jurisdictions. Last week, President William H. McClellan of the PED testified before Congressman Dominick Daniels' subcommittee considering amendments to the Comprehensive Employment and Training Act. He described the "severe financial difficulties" cities and towns and many States are experiencing.

At a time of serious economic stress in our country, it is essential that we maintain an adequate level of public services. This applies to personnel administration, as well as the more direct services supplied to citizens. In light of the present economic situation of State and local governments, it would be most appropriate for the Federal Government to increase its share of the grant program under the IPA.

The same logic applies to Administration proposals to have Federal agencies supplement the compensation of some State and local government workers on temporary assignment to reimburse the local governments for fringe benefit costs.

We subscribe also to the recommendations to prevent forfeiture of fringe benefits by State Cooperative Extension and District of Columbia Government employees covered by the IPA provisions.

Finally, Mr. Chairman, the PED supports the proposal to extend full IPA coverage to the Pacific Islands Trust Territory.

Our Department hopes these comments will prove useful in your continuing oversight of IPA and in framing the amendments resulting from your inquiry.

Mr. CLAY. Thank you.

I see that you agree with AFSCME in terms of their being able to participate directly in the program.

The AFSCME representative this morning suggested a setaside of about \$1 million or 1½ million. Do you also agree with that figure?

Mr. McCART. Yes. I don't have any independent figures as far as the Department is concerned. We would be inclined to agree with the estimate of the American Federation of State, County, and Municipal Employees.

Mr. CLAY. You made a recommendation that the Advisory Council be revived.

As I understand it, there are two possible ways of doing this.

One, the Civil Service Commission, itself, can revive the Advisory Council. The other would be by specific legislation through provisions of this bill we are going through now.

Which one would you prefer?

Mr. McCART. I must confess ignorance on one point, Mr. Chairman. Public Law 91-648 established the Council?

Mr. CLAY. Yes.

Mr. McCART. Now, I don't know under what circumstances the Council was abolished.

Mr. CLAY. Well, it also authorized the President to dissolve it if he saw fit.

Mr. McCART. Yes.

Mr. CLAY. But I think there is a provision in there that enables the Civil Service Commission to revive it and they would make the appointments rather than it being Presidential appointments.

Mr. McCART. Mr. Chairman, if the Civil Service Commission can give the committee a commitment about the reinstitution of the Advisory Council, and can make some kind of commitment with respect to better representation of the various sources on the Council, that would be sufficient. I really don't see any need for enacting that portion of the legislation if the executive branch is willing to make a commitment.

Mr. CLAY. Thank you.

Mrs. Spellman.

Mrs. SPELLMAN. Thank you, John. It is always a pleasure to see you. We stack the House with my friends. [Laughter.]

I do think your recommendation about the General Accounting Office makes very good sense and would be an avenue that I would tend to wish for, rather than Civil Service which does have the problems that were pointed out just a moment ago.

And rather than another independent group, the GAO is geared to do exactly this and it makes very good sense.

Mr. McCART. In effect, I think it would be the Congress that was maintaining the oversight since the GAO is an arm of the Congress.

Mrs. SPELLMAN. Exactly. Thank you very much.

Mr. CLAY. Thank you, Mrs. Spellman.

Thank you, Mr. McCart.

The committee will adjourn subject to the call of the Chair.

[Whereupon, at 12:05 p.m., the hearing was adjourned, subject to the call of the Chair.]

[The statements and letters which follow were received by the subcommittee for inclusion in the record:]

INTERNATIONAL PERSONNEL MANAGEMENT ASSOCIATION,
Washington, D.C., March 7, 1975.

HON. WILLIAM L. CLAY,

Chairman, Subcommittee on Employee Political Rights and Intergovernmental Programs, Committee on Post Office and Civil Service, U.S. House of Representatives, Washington, D.C.

DEAR MR CLAY: The International Personnel Management Association is pleased to have the opportunity to present its views in connection with your current inquiry into the provisions and administration of the Intergovernmental Personnel Act.

IPMA, as a non-profit professional organization, is in a particularly good position to observe the operations under this landmark legislation. Our membership consists of over 1,000 public jurisdictions in the U.S. and Canada, mostly state and local personnel establishments, and over 4,500 individual professional members, mostly personnel practitioners from state and local governments. Hence, most of our members are vitally interested in and have some practical experience with the workings of the Intergovernmental Personnel program.

To be responsive to your needs, we have sought out the particular reactions of a number of key members of our organization and collated these with information already known to our staff, in order to prepare the attached statement. There has not been time to conduct an extensive poll.

Without apology, our statement is very supportive of the IPA legislation and objectives, as well as the impact it has had positively on public personnel administration throughout the length and breadth of the United States. Also, we have some suggestions to make for still further improvement.

We sincerely hope you will find the enclosed facts and ideas of special utility in pursuit of your study of the efficacy and results realized under this Act. We strongly urge its continued support and, if feasible, its still further extension.

In case of any future consideration of legislative issues relating to public personnel administration, we would appreciate being informed so that IPMA may present its views.

Sincerely yours,

MRS. ERSa H. POSTON,
President.

STATEMENT OF THE INTERNATIONAL PERSONNEL MANAGEMENT ASSOCIATION

The Intergovernmental Personnel Act of 1970 has had more positive and supportive impact on good personnel management in state and local government in the United States than any measure of the federal government since passage of the Social Security Act Amendments of 1940, when merit requirements were first imposed in conjunction with federal grants in the welfare, health, and rehabilitation fields. The special importance of the IPA program, as distinguished from earlier efforts to improve public personnel management, has been that it minimizes controls and restraints on state and local government latitude for action and maximizes genuine assistance, technical and financial, for training and personnel system improvement.

Although the total amounts of money appropriated and disbursed under the grant provisions of the IPA have been extremely modest by comparison with most federal grant programs, literally thousands of jurisdictions have been helped and influenced in the quality of their personnel work by what one of our members has called "the rippling effect" of small amounts of seed money that has enabled small jurisdictions to inaugurate personnel programs for the first time, has strengthened the programs of many medium and larger jurisdictions, has fostered better compliance with federal standards on specific issues such as equal employment opportunity for minorities and women, has provided training opportunities for states and local employees not heretofore available, and has equipped states to undertake state-wide technical and financial assistance to localities within their boundaries that only a few were previously engaged in.

Comments of our members on the significance of IPA grants for training and personnel program improvement have ranged from "money well spent" to "more significant than any other federal dollars" expended in state and local government. The IPA afforded the first meaningful federal effort to support and improve the personnel function at the very time it was becoming overburdened by the accelerating growth of state and local operating functions whose rapidly expanding staffs were supposed to be served by personnel offices.

In a number of instances, under the aegis of IPA, cooperative efforts among jurisdictions have been stimulated that would not have been started without the incentive of federal seed money. Some are already operating under their own power by now. For example, common recruitment and testing centers for federal, state, and local jurisdictions in certain areas have been notably successful. In one situation where 15 jurisdictions are banded together in such a joint enterprise, the volume of walk-in applicant traffic in one of the cities involved has been reduced by 60%, thus freeing the overworked personnel office to spend more time on the constructive aspects of its internal program. In other words, the work of processing and examining applicants has been "pooled," so that no one jurisdiction has to duplicate what its neighbor is already doing; and the economy of scale enables all of them to have better service and saves time and energy for the applicants.

In other cases, it has been testified that many a small community would have been utterly unable to comply with the technical requirements for affirmative action, test validity, and job analysis necessary under the program of the Equal Employment Opportunity Commission if it had not been for the IPA. Direct technical assistance and training, usually through state offices, have been supported in such a way under IPA as to give maximum effect to this worthwhile

social goal of equal-opportunity-for-all in public jobs. Likewise, special "assessment centers" to aid jurisdictions in testing and especially in identifying and selecting managerial talent within their employee populations have been set up in several states, where their success has been widely acclaimed. In addition, subsidy of training programs in many fields and facilitating temporary movement of people among governmental levels to extend and sharpen their skills have, in the testimony of many observers, greatly improved the performance and potential of government workers.

NEEDS FOR THE FUTURE

In the judgement of our membership, on the basis of our sampling, we should not however rest on our IPA laurels. Several steps still need to be taken in the area of intergovernmental personnel relations, the most important of which we deem to be the following:

1. The recommendations of the Advisory Council on Intergovernmental Personnel Policy should be implemented. Set up by the Act, this body has already completed its mission, but the recommendations in its reports of January 1973 and July 1974 for extension of the merit principle in federal grant programs and for strengthening equal opportunity and labor relations programs have not been acted upon. Some of these require legislation. Appointed by the President, I had the pleasure of serving as Chairman of this Council, and I can assure you it took its work very seriously and believes that its proposals merit early action by the Administration and the Congress.

2. The automatic reduction in the proportion of federal matching funds under IPA from 75% to 50%, now required by the law, should not be allowed to take place. In the judgment of many of our members, this reduction will mean that many small jurisdictions especially, the very ones most in need of technical help and training, will be unable to meet the 50% matching standard. We understand that the U.S. Civil Service Commission is proposing an extension of the current 75%-25% formula, and I am sure our membership would fully endorse the need for this amendment of the present law.

3. A greater incentive should be provided, especially for smaller and harder-pressed jurisdictions, to release their employees to participate in the Government Service Fellowships authorized under the Act. Subsidy of only 25% of an employee's salary has not created the inducement that smaller communities must have to take part more substantially in this program.

4. The "closed-year" appropriation for fiscal year 1975 should not be repeated. The inflexibility and inefficiency caused by prohibiting any carry-over of unused funds from one fiscal year into the next is unwarranted.

5. Some way should be found to insure that funds held by states for personnel improvement in localities are put to fruitful use after a reasonable period. We understand that in some states too little discretion is available for localities to make prompt and effective use of federal grant monies.

6. A few of our members feel that interjurisdictional communication on projects could be improved. Perhaps the Civil Service Commission, in its review of proposals, could make certain that the results of similar projects elsewhere are fully known to the applicant jurisdiction before authorizing a comparable undertaking in a new locale. This would apply, of course, only to those kinds of projects whose products are readily transferable.

7. Your committee should be mindful of other federal legislation that imposes unwise and burdensome controls or otherwise restricts the legitimate latitude of state and local governments in personnel matters. We refer here especially to extension to governments of such laws as the Fair Labor Standards Amendments of 1974 which called for overtime pay and other constraints that are wholly unsuited to work schedules such as those for police and firefighters. This feature alone threatens serious upsetting of municipal financial stability, to say nothing of damaging the basic viability of the federal system with its dependence on local self-determination and responsibility. Although application of these particular provisions is at least temporarily restrained by court order, the threat of their imposition is clearly present. In addition, other bills still pending—particularly those that would impose a national prescription for labor relations and collective bargaining on all public jurisdictions—also would threaten the very foundations of the federal system. These matters should be left to the states. The constructive effects of the Intergovernmental Personnel Act, and indeed of most of the general revenue-sharing measures, would be largely nullified by extension of such detailed

federal control over the methods of doing business within our state and local governments.

CONCLUSION

Knowledgeable officials around the country observe that the major problems of state and local administration today center on people, the hiring, motivation, training, and utilization of the public work force. It is our considered conclusion that the Intergovernmental Personnel Act has come into play at the right time. It should continue to be a regenerative force in managing the human resource aspects of modern public administration.

THE NATIONAL CENTER FOR URBAN ETHNIC AFFAIRS,
Washington, D.C., March 3, 1975.

HON. WILLIAM L. CLAY,

Chairman, Subcommittee on Employee Political Rights and Intergovernmental Relations, U.S. House of Representatives, House Office Building Annex, Washington, D.C.

DEAR REPRESENTATIVE CLAY: It has come to my attention that your Subcommittee on Employee Political Rights and Intergovernmental Relations will be soon holding oversight hearings on the implementation of the Intergovernmental Personnel Act. Since the organization I head, the National Center for Urban Ethnic Affairs, is a recipient of an IPA grant, I would like to relate to you our very positive experiences in working with the personnel of the U.S. Civil Service Commission's Bureau of Intergovernmental Personnel Programs.

The National Center for Urban Ethnic Affairs' mission is to catalyze neighborhood and municipality-based programs in those cities that have a large population of ethnic whites, many of whom are blue collar workers. In particular, the Center's concern is the effective and equitable governance of such cities so as to eliminate sources of antagonism between ethnic whites and minority groups through the improved delivery of public and private service to all.

As part of this effort, the Center applied for and received an IPA grant entitled, "Training for the Management of Public Municipal Services to Support Neighborhood Commercial Revitalization." This project (described more fully in the attachment to this letter) was initiated because of the lack of familiarity by city officials with the broad topics of neighborhood preservation and revitalization and the specific linkages between city governments and small business developments. The Center sought ways to help municipal officials explore and understand the complexities of these issues and to meet the training needs of city government attendant to them.

Officials of the Bureau of Intergovernmental Personnel Programs (BIPP) were most responsive and encouraging when we approached them on this matter. Our initial discussions with them as to the feasibility of our proposal and the technical and administrative steps necessary for submission were very informative and useful. After the award of the grant, our assigned grant manager was open and flexible, constantly providing us with information and relevant suggestions.

But the BIPP implementation of the IPA program is commendable for more than just smooth, interested and effective administration. Rather, I feel it is very significant that BIPP is alert and responsive to new approaches to training problems. This willingness to examine and experiment with new ideas for possible application is most refreshing and reassuring, as well as indicative of an appreciation for the difficulties inherent in a changing and complex world.

Our IPA project involves training activities for public officials in three demonstration cities, Baltimore, Boston and Toledo. However, the training is not an end in itself. Instead, by concentrating on a specific outcome and product, such as service delivery demonstration projects and city-wide neighborhood commercial revitalization plans, the project seeks to initiate an on-going process built into the decision-making mechanisms of the cities. This process will take into account the issues surrounding neighborhood commercial revitalization overtime, as well as to provide concrete results in terms of defining and improving the linkages between the cities and the demonstration neighborhoods.

The project seeks to accomplish the above in a realistic fashion that makes full use of the skills and insights of city officials at all levels of the city government. Demonstration neighborhoods have been chosen and in all instances reflect the diverse ethnic and racial composition of the cities. By presenting the issues

involved in the context of such demonstration neighborhoods, the project's staff can best facilitate the learnings of city officials.

Already this project has had some success in catalyzing results by orienting the thinking of municipal officials in creative ways of utilizing CDR's funds as well as stimulating partnerships between the city officials, residents and small businessmen. In addition, the project has brought together specialists from various city agencies that have overlapping functions responsibilities, but no operational contact. Such interactions not only serve the immediate goals of the project, but also serve the cities in increased communication and integrated approaches to problem solving. For example, in Toledo a task force has been set up to fulfill project data and evaluation requirements, but is also working to focus city attention on neighborhood policy. This same city's project oversight group is also being employed in an experiment in participative management. In Baltimore, a planning team is collecting information and developing plans for city involvement in two neighborhoods in the context of a recently passed municipal bond issue for small business development. Boston is utilizing some of its Community Development Revenue Sharing funds in conjunction with the project.

Thus, in just three months, the project officials (prior to the bulk of actual training) in these cities are actively involved in numerous creative ways to study and support neighborhood improvement. Their enthusiasm, in this area, together with their necessarily pragmatic approaches to problem-solving, attest to the strong potential of this project. The willingness of BIPP officials to sense such needs and to respond by supporting a program different from most traditional training activities is indicative of their foresight. They have attempted to meet these needs in an efficacious, creative and far-sighted fashion and I feel they, as well as the overall IPA program, are deserving of continued endorsement.

If I or my staff can be of any further assistance, please contact me.

Sincerely,

Msgr. GENO C. BARONI, *President.*

[A copy of H.R. 4415, which was the administration's legislative proposal, follows:]

94TH CONGRESS
1ST SESSION**H. R. 4415**

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 1975

Mr. HENDERSON (for himself and Mr. DERWINSKI) (by request) introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To amend the Intergovernmental Personnel Act of 1970 to provide more effective means to improve personnel administration in State and local governments; to correct certain inequities in the law; and to extend coverage under the law to the Trust Territory of the Pacific Islands.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Intergovernmental Personnel Act of 1970 (84
4 Stat. 1909-1929) is amended as follows:

5 (1) Section 202 (a), section 203 (a), section 303 (a),
6 and section 304 (a), relating to grants to State and local
7 governments and other organizations, are amended by strik-
8 ing out "after the expiration of three years following the

1 effective date of the grant provisions of this Act" and sub-
2 stituting therefor "on and after October 1, 1978".

3 (2) Section 305, relating to Government Service Fel-
4 lowships, is amended—

5 (A) by striking out from paragraph (2) of sub-
6 section (a) "one-fourth", and inserting "75 per centum"
7 in place thereof;

8 (B) by renumbering paragraph (3) of subsection
9 (c) as paragraph (4) and deleting therefrom the words
10 "and continuation";

11 (C) by striking the word "and" at the end of para-
12 graph (2) of subsection (c); and

13 (D) by inserting in subsection (c) a new para-
14 graph (3) as follows:

15 "(3) require, as a condition for the award of such
16 fellowships, that the recipients enter into a written
17 agreement, enforceable by the government concerned, to
18 serve with such jurisdiction upon the completion of the
19 fellowship, for a period equal to the length of the
20 fellowship. Such agreement shall provide that in the
21 event the recipient fails (except for good and suffi-
22 cient reason, as determined by the jurisdiction con-
23 cerned) to carry out such agreement, he shall be liable
24 for payment of all expenses (excluding salary) of such
25 fellowship. Any amount for which a recipient becomes

1 liable shall be paid to the jurisdiction concerned within
 2 the three-year period beginning on the date he becomes
 3 so liable; and shall be available for use by such juris-
 4 diction for advanced education of its employees: and”.

5 (3) Section 502, relating to the definitions of eligible
 6 jurisdictions, is amended by inserting in paragraph (3) “the
 7 Trust Territory of the Pacific Islands,” immediately before
 8 “and a territory or possession of the United States,”.

9 (4) Section 506, relating to the distribution of grants,
 10 is amended by striking out of section 506 (b) (5) “and
 11 the District of Columbia,” and by inserting in place there-
 12 of: “, the District of Columbia, the Commonwealth of
 13 Puerto Rico, Guam, American Samoa, and the Virgin
 14 Islands”.

15 SEC. 2. Title 5, United States Code, is amended as
 16 follows:

17 (1) Section 3371, relating to definitions of eligible
 18 jurisdictions for the purpose of intergovernmental mobility
 19 assignments, is amended by inserting “the Trust Territory
 20 of the Pacific Islands,” after “Puerto Rico,” in para-
 21 graph (1).

22 (2) Section 3373, relating to the assignment of Federal
 23 employees to State and local governments, is amended by
 24 adding the following at the end thereof:

25 “(c) Notwithstanding the provisions of section 203

1 and 205 of title 18, an employee of an executive agency
 2 assigned under this subchapter to a State or local govern-
 3 ment or institution of higher education may act as an agent
 4 or attorney on behalf of that State or local government or
 5 institution of higher education before any other agency,
 6 other than his employing agency or an agency with which
 7 he was employed during the one year period previous to his
 8 assignment under this subchapter, in connection with a pro-
 9 ceeding, application, contract, claim, or controversy in which
 10 the United States is a party or has a direct and substantial
 11 interest.”.

12 (3) Section 3374, relating to assignments of employees
 13 from State or local governments, is amended—

14 (A) by adding the following flush sentence at the
 15 end of subsection (b) :

16 “However, the above exceptions are not applicable to em-
 17 ployees who are subject to coverage under chapters 83, 87,
 18 and 89 of this title by virtue of employment immediately
 19 prior to assignment and appointment under this section,”;

20 (B) by striking out the semicolon at the end of
 21 paragraph (1) of subsection (c), and by adding the
 22 following: “except to the extent that the pay received
 23 from the State or local government is less than the appro-
 24 priate rate of pay which the duties would warrant under

1 the provisions of chapter 51 and subchapter III of chap-
2 ter 53 of this title, or other applicable authority;"; and

3 (C) by striking out the period at the end of subsec-
4 tion (c) and adding the following: " , or for the contri-
5 butions of the employer, or a part thereof, the employee
6 benefit systems."

7 (4) Section 3375 (a) , relating to the travel expenses of
8 a Federal, State, or local government employee while on a
9 mobility assignment, is amended by striking out "and" after
10 paragraph (4) ; renumbering paragraph (5) as paragraph
11 "(6)" and inserting the following:

12 "(5) section 5724a (b) of this title for miscellaneous
13 expenses related to change of station where movement or
14 storage of household goods is involved; and".

15 SEC. 3. The amendments made by this Act shall take
16 effect after the ninetieth day following its enactment or any
17 earlier date following the date of enactment that the Commis-
18 sion may prescribe.

NATIONAL ACADEMY OF PUBLIC ADMINISTRATION,
Washington, D.C., March 6, 1975.

HON. JAMES G. O'HARE,
Chairman, Special Subcommittee on Education, House Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR MR. O'HARE: The Standing Committee on Education for Public Administration of the National Academy of Public Administration has followed with interest the progress made by the Civil Service Commission in its implementation of the Intergovernmental Personnel Act of 1970. The Commission and the Congress are to be commended on the steps taken to provide real federal leadership in this important area for developing greater capacity to govern.

At the Annual Meeting of the Academy, the Committee reviewed the proposed amendments to the Intergovernmental Personnel Act of 1970 as contained in H.R. 16075 and S. 957. The Committee believes that these amendments will contribute substantially to the improved performance of the intergovernmental personnel program and that efforts should continue to improve the charter legislation.

The Committee recognizes that during this period of fiscal constraint all programs will be scrutinized carefully in terms of their respective contributions to national priorities. The Committee believes that the intergovernmental personnel program is deserving of continued strong support and that the program's strong forward thrust should be continued. State and local governments, the university community, and federal agencies have begun to respond well to this program; and the initial investment is beginning to bear fruit. It would be tragic if such a constructive program were to be unduly restricted as it begins to reach its promise.

Sincerely,

THOMAS W. FLETCHER,
*Chairman, Standing Committee on
Education for Public Administration.*

INTERNATIONAL CITY MANAGEMENT ASSOCIATION,
Washington, D.C., March 12, 1975.

HON. WILLIAM L. CLAY,
Chairman, Subcommittee on Employee Political Rights and Intergovernmental Programs, House Office Building Annex, Washington, D.C.

DEAR SIR: The International City Management Association wishes to express its strong support for the legislation proposed by the United States Civil Service Commission regarding amendment to the Intergovernmental Personnel Act of 1970.

In particular, we consider it essential that there be a continuation for three years of the Commission's authority to make grants of 75% of the costs of programs to improve personnel administration in state and local government. Also, we strongly support the recommended formula change for Government Service Fellowships so that state and local governments, Indian Tribes, and Trust Territories may be reimbursed for up to 75% of the salary of a Fellowship recipient.

Since the inception of the IPA program nearly four years ago, many of our members have benefited by the financial and technical assistance, and talent sharing to improve the management capacity of their respective jurisdictions. We strongly urge a continuation of the program and, particularly, the amendments presented by the United States Civil Service Commission.

Very truly yours,

MARK E. KEANE,
Executive Director.

STATEMENT OF CLYDE WEBBER, NATIONAL PRESIDENT, AMERICAN FEDERATION
OF GOVERNMENT EMPLOYEES

The American Federation of Government Employees appreciates the opportunity to submit this statement concerning the Intergovernmental Personnel Act.

We fully support the statement presented to the subcommittee on March 5, by John A. McCart, Acting Executive Director of the Public Employees Department, AFL-CIO. The AFGE is a charter member of that new department. The AFGE, therefore, will not repeat the several proposals made to the subcommittee by Mr. McCart.

The AFGE also supports the several proposals outlined to the subcommittee on March 4 by Joe Robertson of the U.S. Civil Service Commission, which administers the Intergovernmental Personnel Act, including the proposals to:

- (1) maintain the Federal share of IPA grants at 75%;
- (2) increase the Federal share of the salary cost of Government Service Fellowships to 75%;
- (3) include the Trust Territories in IPA programs;
- (4) treat Puerto Rico, the Virgin Islands, American Samoa, and Guam like States for formula grant purposes; and
- (5) make certain technical and other changes in the IPA mobility provisions (to protect retirement entitlements of certain employees; to correct certain pay inequities; to pay the employer's share of certain employee benefits; and to clarify a conflict-of-interest issue).

In general, the AFGE believes the IPA grant, technical assistance, mobility, training, cooperative recruitment, and other programs are clearly needed by State and local governments interested in improving their management capabilities and personnel systems. We also believe that the Civil Service Commission is administering these programs effectively and that solid results are being obtained.

The AFGE does have certain continuing concerns about these IPA programs:

- (1) The IPA programs should not be used to bring about a shifting of functions from the Federal government to State or local governments; for example, by the long-term detailing of substantial members of Federal specialists in any one program area to any one State government as a deliberate preliminary to transferring part or all of that program to that State government.
- (2) The IPA programs should be used to support collective bargaining, and, in no event, should they be used to influence State and local jurisdictions from putting collective bargaining on a statutory basis, from providing for union security and the right to strike, from leaving a wide scope of bargaining, and so on—despite current Federal practice to the contrary.
- (3) Fair treatment and complete compliance with commitments made to employees must be assured, especially for employees who accept mobility assignments of a year or two duration and then return to their Federal agencies.

We emphasize that AFGE is not aware of any significant problems that have developed in any of these areas to date. We do, however, ask that the subcommittee consider obtaining firm assurances from the Civil Service Commission that it will continue to administer the IPA so that such problems do not arise in the future.

UNIVERSITY AND COLLEGE LABOR EDUCATION ASSOCIATION,
Washington, D.C., March 10, 1975.

HON. WILLIAM L. CLAY,
Chairman, Subcommittee on Employee Political Rights and Intergovernmental Programs, House Office Building Annex, Washington, D.C.

DEAR CONGRESSMAN CLAY: The University and College Labor Education Association, representing 41 universities and colleges with labor studies centers throughout the country, is requesting that the Intergovernmental Personnel Act be amended to include training of members of public employee organizations.

We are further asking the Labor Studies or Labor Education Centers be included in the Act to conduct training for public employees and public management.

UCLEA affiliate university and college labor education/studies centers work with public management as well as with public employee organizations. They have established on-going labor education programs, and because they are a part of the state university and college system, they provide the necessary follow through after start-up projects have been terminated including the addition of state funds plus some union funding.

It is bad education and probably a partial waste of taxpayers' money to give funds to individuals or groups of individuals to conduct a project where the possibility of following up does not exist. Yet, this is, in part, what happened in Indiana when IPA funds were granted. The University of Indiana has a Labor Education and Research Center, and the new IPA program appeared to be duplicating existing university capability of working with employee organizations and public management.

The problem we are finding all over the country is that proposals for IPA grants made by university and college labor studies centers are being rejected whenever employee organizations are part of them. Whereas, proposals made by individuals and private groups and organizations exclusively oriented toward public management are funded with or without educational capacity or follow through.

We can cite Pennsylvania State University Department of Labor Studies as one example of a professional program in the field of public employee relations being turned down on employee organization grants, without knowing why or by whom, except that employee organizations were involved in the grant.

Our general philosophy in the field of public employment is one of trying to improve labor-management relations by training to permit the parties to reach 'common' agreement and understanding regarding what state laws and collective bargaining agreements mean. The object is to lessen the likelihood of strikes, costly arbitration, and court cases plus time-consuming posturing and disputes which need never occur if the parties mutually understand the meaning of the law or contract. It has been our experience that the best way to reach common understanding is to thoroughly hash out meanings within the privacy of training sessions.

We find the experience of our affiliate university and college labor education/studies centers in attempting to obtain IPA grants to be very disconcerting. The professional staff of these centers, in many instances, serve as members or chairmen of the committees, task forces, and advisory boards that draft state and local labor legislation and law governing public management. Yet, despite their qualifications and years of training experience, the IPA civil service administrators refuse to accept grants from these same professionals to train public sector employee organizations alone or jointly with the public managers.

The \$15 million provided IPA is little enough compared to the needs of the field, particularly in the single area of labor relations. Our objection is not to the public manager's need but to ignoring the public employee's need. We want a more even-handed approach in the use of public funds so that they can be used for public non-federal employee organization training needs either jointly with public management or separately, in the field of labor education/studies.

We note the objection of the National League of Cities that IPA-funded programs must show "that the capability to provide training in the subject area does not exist or is not readily available." We would suggest that labor education training is far less available to unions than is public management training to the public manager. IPA restrictive grant policy further exacerbates this situation. Public employee training services are not readily available from national, state or local employee organizations. Most of the state and local organizations have no training capability. Most public employee organizations do not have the financial resources or the educational capability to conduct training sessions for their members and therefore depend heavily upon the services of university and college labor education/studies centers for whatever small amount of training that is available. Approximately $\frac{1}{4}$ of all U.S. public and private sector labor education programs are conducted by university and college labor education/studies centers, alone or in cooperation with employee organizations. However, in most states, labor studies centers have not been able to meet better than 20 percent of the public employee education needs of all types, to say nothing of their educational need together with public management needs when they specify labor relations training.

We would recommend the following suggested changes in the Act be considered in order to partly rectify the present inequality and to provide for a more even-handed use of public funds.

The first would be that \$2,500,000 be added to the Act and earmarked for labor education programs for employee organizations.

The second, as we read the Act, would be to suggest amendments to two sections of the present Act that would permit university and college centers to provide programs for employee organizations.

Section 304, add a new sub-section to include the following: "The Commission is authorized to make grants to university and college labor education/studies centers to pay up to 75 per centum of the costs to enable effective training to enable public employee organizations either singly or jointly with public management to effectively participate in labor relations, including but not limited to, negotiations methods, contract administration, use of statutory and negotiated grievance procedures, orientation to public sector labor relations laws and administrative regulations and anti-discrimination laws and procedures, role of civil service commission and public personnel agencies, position classification procedures and fact-finding, mediation and arbitration processes."

To Section 502 (Definitions), add a new sub-section: "University and college labor education/studies center means a permanent program within a university or college which employs full-time labor education professionals, has a labor advisory board and conducts classes or other forms of training for, but not limited to, employee organizations and their members."

To Section 502, add new sub-section: "(6) Employee organization means any organization, union, association, agency, committee, council, or group of any kind in which employees participate which exists for the purpose, in whole or in part, of representing State or local government employees concerning wages, hours, or other terms and conditions of employment."

We hope that our suggestions are considered useful to the Committee. If additional information is needed on the above, we will be happy to supply it.

We are enclosing 3 copies of our Directory of Affiliated Institutions and their Professional Staff for information.

Sincerely,

JOHN R. MACKENZIE,
President.

COUNTY SUPERVISORS ASSOCIATION OF CALIFORNIA,
March 13, 1975.

HON. WILLIAM L. CLAY,

Chairman, Subcommittee on Employee Political Rights and Intergovernmental Programs, Committee on Post Office and Civil Service, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN CLAY: Earlier this month, the National Association of Counties (NACO) appeared before the Subcommittee on Employee Political Rights and Intergovernmental Programs to reiterate its complete support of the Intergovernmental Personnel Act of 1970 and to urge that the subcommittee maintain the 75-25 matching level. The County Supervisors Association of California (CSAC) strongly supports the position of our national organization.

The County Supervisors Association of California (CSAC), through its California County Government Education Foundation, conducted a highly successful year-long environmental management program funded by the Intergovernmental Personnel Act of 1970. Our IPA assisted environmental management program has been of immediate and direct benefit to the people of our state.

The Intergovernmental Personnel Act has proven to be an exceptionally effective program and your support of its objectives and matching level is urged.

Sincerely,

JACK M. MERELMAN,
Washington Representative.

STATE OF WISCONSIN,
OFFICE OF THE GOVERNOR,
Madison, Wis., March 14, 1975.

HON. LES ASPIN,
U.S. Representative,
House Office Building,
Washington, D.C.

DEAR LES: The Intergovernmental Personnel Act passed by Congress and signed into law on January 5, 1971, provides grant funds for state and local governments to upgrade the quality of governmental services through improved public administration. By administering this program through a broadly representative state and local government Advisory Council, I believe Wisconsin has used the limited resources well.

I am enclosing copies of the Wisconsin Intergovernmental Personnel Act newsletters which describe the program priorities set by the Advisory Council. The projects funded during the first three years are summarized. I believe the program has generated some real accomplishments and has been the vehicle for new and innovative projects. The newsletters will give you some idea of what this program has meant to Wisconsin.

Effective fiscal year 1975-76, the IPA grant awards will fall to a 50-50 funding level (50% federal and 50% local match). The implications of this change are obvious. Many of Wisconsin's smaller jurisdictions, especially the very ones most in need of technical help and training, will be unable to meet the 50% matching standard.

Representative William Clay, Chairman of the House Post Office and Civil Service Political Activity-Intergovernmental Relations Subcommittee, has introduced a bill (H.R. 4415) which will amend the Intergovernmental Personnel Act. Representative Clay proposes, among other things, that the present 75% Federal and 25% local funding level be preserved.

I urge you to contact Mr. Clay and other members of the subcommittee to express Wisconsin's support for Bill H. R. 4415.

Sincerely,

PATRICK J. LUCEY,
Governor.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C. March 18, 1975.

Hon. WILLIAM L. CLAY,
Chairman, Subcommittee on Employee Political Rights and Intergovernmental Programs, Committee on Post Office and Civil Service, U.S. House of Representatives, Washington, D.C.

DEAR MR. CLAY: This letter contains the views of the U.S. Civil Service Commission concerning certain amendments to the Intergovernmental Personnel Act (IPA) which the American Federation of State, County, and Municipal Employees (AFSCME) has submitted to your Subcommittee for consideration. Mr. Lloyd A. Johnson, Staff Director of the Subcommittee, requested us to submit these comments.

The first AFSCME amendment would amend Sec. 3 of the IPA, relating to policies governing its administration by renumbering present clause (2) as clause (3) and by adding a new clause as follows:

"(2) to recognize the role of employee organizations in personnel administration, including the right of public employees through such organizations to participate in the formulation and implementation of policies and procedures affecting the wages, hours or other conditions of the employment, and. . ."

The second AFSCME amendment would amend Sec. 304 relating to grants to other organizations, by adding a new sub-section:

"(c) The Commission is authorized to make grants to employee organizations to pay up to 75 per centum (or, with respect to fiscal years commencing after the expiration of three years following the effective date of this provision up to 50 per centum) of the costs of providing training to enable effective participation in labor relations, including, but not limited to, techniques of negotiation, interpretation of collective bargaining agreements, use of grievance machinery, orientation in public sector labor relations laws and administrative orders, orientation in the role of civil service commissions, in anti-discrimination laws and procedures, statutory employee appeal procedures, position classification process, and mediation and arbitration processes and machinery."

The three remaining AFSCME amendments which delete the word "government" from Sec. 301 and add definitions of "employee organization" and "officials" to Sec. 502, are all apparently related to the Sec. 304 amendment.

The Commission is strongly opposed to these amendments for the following reasons. They would equate labor organizations which have no governmental responsibilities with State and local entities for which the Act was specifically designed.

(1) The IPA was enacted to provide assistance to State and local governments in improving management competence. This is its unique purpose. Further, the IPA is almost the only source of such specialized assistance to State and local governments. Even its provisions for grants to organizations other than State

and local governments are carefully prescribed to ensure that such training grants are made for, and only on request of the State and local governments. The Congress' concern with this central feature of the Act is indicated by its non-acceptance of a recommendation in 1969 to amend Sec. 304 to include labor organizations.

(2) The IPA has the single, central purpose of improving the management capacity of State and local governments which we believe should be preserved. It was deliberately framed to benefit only governmental entities to enhance their capabilities consonant with the growth of governmental programs at the State and local level. It would distort the purpose of the IPA to require its assistance to be diffused among State and local governments and the numerous public interest groups with which these governments are concerned. All such groups—labor, consumer, environmental, and citizen organizations of various kinds—play an important role in the formulation of governmental policies but they do not have direct governmental responsibilities, and improvement of the skills and competence of such groups is not the purpose of the IPA.

(3) Within the context of the IPA's central purpose, there are existing programs which indirectly benefit unions. We have issued to our regional offices, for example, the attached guidelines which authorize the IPA support for the joint training of management officials and State and local employees who are union representatives. Under these guidelines such union stewards may directly participate in IPA supported training programs. Our Atlanta Region recently awarded such a grant of \$8,510 to the City of Miami Beach. This grant project will provide training to both union stewards and first-line supervisors in such areas as inter-personal skills and communication, personnel rules and administrative procedures, administration of the collective bargaining agreement, and grievance handling. We believe the kind of cooperative training possible under these guidelines can be of value to both unions and State and local governments and can be utilized without embarking on fundamentally different approaches under IPA.

(4) The question of direct Federal financial assistance to labor and other public interest organizations is a significant public policy question which should be considered outside the context of the IPA. The AFSCME amendment authorizes direct Federal financial aid to unions and thus represents an issue which we believe requires careful consideration in terms of, first, what is the Federal government's role with respect to giving monetary aid to labor and other public interest organizations, and second, how, by whom, and under what conditions should such assistance be provided. The principle that the Federal government should aid State and local governments is well established and reflected in the IPA as well as numerous other programs. Federal assistance to non-government organizations such as unions is, however, a different issue. It should be considered outside the context of a program designed for a different purpose.

Accordingly, for the reasons stated above the Civil Service Commission strongly opposes the proposed amendments. The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of the proposed amendments would not be in accord with the program of the President.

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

INTERIM GUIDELINES ON THE PARTICIPATION OF LABOR REPRESENTATIVES IN IPA FUNDED TRAINING PROGRAMS

INTRODUCTION

The basic purpose of the Intergovernmental Personnel Act is to enhance the quality of government at all levels of the Federal system by helping State and local governments strengthen the administration of their personnel resources. One means of accomplishing this goal is through the IPA grant program which authorizes grants for personnel administration improvement, employee training, and government service fellowships. A unique characteristic of the IPA grant program is that it permits the State and local chief executives to determine, within broad parameters, their own priorities as to how IPA funds should be used in their jurisdictions.

IPA grants for training—which are the focus of these guidelines—are intended, according to section 301 of the Act, to strengthen the training and development of State and local government employees and officials, “particularly in professional, administrative, and technical fields”. In the context of “labor relations” training a question has arisen as to whether, and under what conditions, IPA funds can be used to support programs which would include the training of union representatives. These guidelines are addressed to the issues involved in evaluating proposals that contemplate the training of union representatives.

BASIC ISSUES

(1) Does the IPA authorize direct grants to labor unions?

The IPA does not authorize direct grants to labor unions per se. The Commission is authorized to make grants to State and local governments, and to other organizations which meet the definitional requirements set forth in section 304 of the Act. A labor union ordinarily would not meet these requirements (Section 304 (b) (3) defines “other organizations” as “. . . a non-profit organization one of whose principal functions is to offer professional advisory, research development, educational or related services to governments.”)

(2) Does the IPA authorize the training of government employees in their duties as union officials?

If the term “union duties” is construed to mean those activities associated with internal union policies and processes, then the answer is clearly negative. Support for this position can be found in an analysis of the Act.

Grants to State and local governments for training purposes are authorized by section 303 (a) which provides that: the Commission is authorized to make grants to State and local governments on the certification of the Governor of the State, or the Mayor or chief executive of the general local government, that the programs are consistent with the applicable principles set forth in clauses (1)–(6) of the third paragraph of section 2 of this Act.

Thus, it is section 2—and in particular the 6 “merit principles” enunciated therein—which provide the standard for determining the eligibility of proposed IPA-supported training programs. The relevant provisions of section 2 state: “That the quality of public service at all levels of government can be improved by the development of systems of personnel administration consistent with such merit principles as . . . (3) training employees, as needed, to assure high quality performance . . . Federal financial and technical assistance to State and local governments for strengthening their personnel administration . . . is in the national interest.”

These provisions clearly require that for a training program to be eligible for IPA support the following requisites would have to be present: that the proposed training program would be for employees; that it be related to an improvement in employee performance; and that it be of direct benefit to a State or local government (improvement in the quality of public service).

The import of the above is to establish a criterion by which proposed training programs (whether union-related or not) can be evaluated; viz., there must be a nexus or rational relationship between the specific objective of the proposed training program and the basic goal of the IPA to improve the capabilities of public employees to perform their duties and of State and local governments to render public service. When the training of union officials in their “union duties” is considered in this context it becomes apparent that the necessary relationship is missing. The principal purpose of such a program would be to improve a public employee’s ability to function as a representative of his union.

(3) Under what circumstances may IPA funds be used to support training programs which include union officials as participants?

The answers to Issues #1 and #2 established that the IPA does not authorize direct grants to labor organizations and that IPA funds could not be used to support training programs which have as their primary objective the training of public employees in their duties as union representatives. It does not follow, though, that the formal participation of union representatives in IPA-supported training programs is prohibited. On the contrary, the training of labor union representatives would be permissible if it met the criteria set forth above. In general, these criteria would be satisfied if: (1) The union representatives to be trained are the employees of a State or local government. (This means that business agents and other employees of a union would not be eligible participants.)

(2) The subject matter of the proposed training program can be shown to

be rationally related to an improvement in employee performance and to be of direct benefit to a State or local government.

GUIDELINES

As an aid to grant application review personnel, some examples of permissible and impermissible training programs are described here. It should be emphasized that these are intended to be illustrative and not determinative. Individual applications should be evaluated independently against the previously discussed criteria.

Listed below are three categories of joint or coordinated training programs¹ which, assuming that the union representatives are also employees of a State or local government, would appear to meet the rational relationship test. They are:

1. Understanding the terms of a collective bargaining agreement.

Differences between supervisors and stewards in the interpretation of contract language can lead to difficulties and conflict. IPA financed training leading to a common base for administration of the contract would be an appropriate response to this problem. Joint training in the proper uses of grievance machinery is another example of the type of training program that would fit comfortably in this category.

2. Orientation in public sector labor relations laws, administrative orders, and amendments thereto.

Training in relevant State laws, leading court decisions, and executive pronouncements affecting the scope of collective bargaining within a jurisdiction can be financed by IPA grants. Illustrative topics in this category would be: union recognition and election laws, mandatory collective bargaining subjects, bargaining unit determination, managerial and supervisory exemptions, unfair labor practices, and mediation and arbitration processes and machinery.

3. Briefings and instruction on those non-negotiable areas of personnel administration that nevertheless may affect the conduct of collective bargaining.

Essentially this is a corollary of #2. It would permit IPA funds to be used to familiarize union representatives with those executive and legislative processes that have a substantial impact upon a jurisdiction's personnel administration system. Examples would be: the jurisdiction's position classification process and employee appeal procedures, legislative prerogatives in the area of pay rates and fringe benefits, the role and authority of Federal, State, and local civil service commissions, and the role and authority of Federal, State, and local anti-discrimination commissions.

On the other hand, there are some types of training for union representatives that clearly do not have a rational relationship to the IPA goals of improving employee performance and upgrading the quality of public service. Included in this category would be programs designed to train union representatives in: negotiation techniques; internal union policies and administration; organizing techniques; job actions and sanctions; preparation and presentation of adversary third party submissions; and political education.

CONCLUDING NOTE

The foregoing discussion was addressed solely to the question of whether certain programs which provide for the training of union representatives are eligible for IPA support. The wisdom or desirability of such programs requires an entirely separate determination which goes directly to the merits of the proposal, rather than to its eligibility. As such, it would involve a comparative evaluation of the program's anticipated benefits against those of other programs eligible for IPA funding.

REVENUE SHARING AND IPA ASSISTANCE

The State and Local Fiscal Assistance Act of 1972 provides revenue sharing entitlements to about 38,000 State and local governments. These jurisdictions

¹Joint or coordinated in the sense that union and management representatives would attend the training sessions together or that the training material would be coordinated so that both parties would receive essentially the same information at separate sessions.

are free to exercise their own discretion over the use of the funds provided they are used for "priority expenditures" as authorized by the Act. Priority expenditures mean (1) ordinary and necessary capital expenditures authorized by law and (2) ordinary and necessary maintenance and operating expenses for: public safety (including law enforcement, fire protection and building code enforcement); environmental protection (including sewage disposal, sanitation and pollution abatement); public transportation (including transit systems and streets and roads); health; recreation; libraries; social services for the poor or aged; and financial administration.

Under the Intergovernmental Personnel Act, State and local governments can apply for grant funds for personnel management improvements or for training their professional, administrative, and technical employees. Within the priority expenditure areas listed above, these governments could also use revenue sharing funds for these same purposes.

One of the few limitations on revenue sharing funds is that they may not be used by State and local governments as matching funds for any Federal program. However, an IPA grant, matched by other funds provided by the jurisdiction, could be used in conjunction with revenue sharing funds to support an eligible project. For example, a jurisdiction may be able to obtain and properly match an IPA grant to support a portion of a program to improve the personnel system of its health department or to provide financial management training to its employees. As long as they were not used in any way as matching funds, revenue sharing funds could be used to pay the remaining costs of the program.

Attached are appropriate sections of the General Revenue Sharing Act and IPA instructions which pertain to the relationship between revenue sharing funds and IPA match.

EXCERPT FROM STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

Sec. 104. Prohibition on use as matching funds by State or local governments

(a) **IN GENERAL.**—No State government or unit of local government may use, directly or indirectly, any part of the funds it receives under this subtitle as a contribution for the purpose of obtaining Federal funds under any law of the United States which requires such government to make a contribution in order to receive Federal funds.

(b) **DETERMINATIONS BY SECRETARY OF THE TREASURY.**—If the Secretary has reason to believe that a State government or unit of local government has used funds received under this subtitle in violation of subsection (a), he shall give reasonable notice and opportunity for hearing to such government. If, thereafter, the Secretary of the Treasury determines that such government has used funds in violation of subsection (a), he shall notify such government of his determination and shall request repayment to the United States of an amount equal to the funds so used. To the extent that such government fails to repay such amount, the Secretary shall withhold from subsequent payments to such government under this subtitle an amount equal to the funds so used.

(c) **INCREASED STATE OR LOCAL GOVERNMENT REVENUES.**—No State government or unit of local government shall be determined to have used funds in violation of subsection (a) with respect to any funds received for any entitlement period to the extent that the net revenues received by it from its own sources during such period exceed the net revenues received by it from its own sources during the one-year period beginning July 1, 1971 (or one-half of such net revenues, in the case of an entitlement period of 6 months).

(d) **DEPOSITS AND TRANSFERS TO GENERAL FUND.**—Any amount repaid by a State government or unit of local government under subsection (b) shall be deposited in the general fund of the Treasury. An amount equal to the reduction in payments to any State government or unit of local government which results from the application of this section (after any judicial review under section 143) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final.

(e) **CERTIFICATES BY STATE AND LOCAL GOVERNMENTS.**—The Secretary is authorized to accept a certification by the Governor of a State or the chief executive officer of a unit of local government that the State government or unit of local government has not used any funds received by it under this subtitle for an entitlement period in violation of subsection (a); unless he determines that such certification is not sufficiently reliable to enable him to carry out his duties under this title.

EXCERPT FROM GUIDELINES FOR THE IPA GRANT PROGRAM

Unless specifically authorized by law or Federal regulation, grantees may not use Federal funds from other Federal programs as their matching share of IPA program costs. However, programs financed wholly by Federal funds may use those funds to pay a pro-rata portion of the grantee's matching share. Revenue sharing funds received under the State and Local Fiscal Assistance Act of 1972 (P.L. 92-512) may not be used for match. Revenue sharing funds may be used, however, to supplement IPA and matching share funds. Grantee funds used as match for other Federally assisted programs may not be used as match for an IPA project.

6. *Allowable Costs and Indirect Charges.*—Allowable costs of IPA grant programs are those identified and defined in Office of Management and Budget Circular No. A-87, Principles for Determining Costs Applicable to Grants and Contracts with State and Local Governments. The Commission examines costs within the framework of Circular No. A-87 to determine what the cost items contribute to the proposed grant program. A detailed discussion of allowable costs and other financial administration matters is contained in the *IPA Grant Administration Handbook*. All grantees must become familiar with the financial and administrative requirements set forth in the Handbook.

The total cost of a grant program consists of the allowable direct costs plus allowable indirect costs. Indirect costs are expenses incurred for a common or joint purpose which are not readily assignable to one specific activity. This applies to costs originating in the grantee department or agency and to such costs incurred by other departments or agencies in supplying goods, services, and facilities to the grantee.

In order to be reimbursed for indirect costs incident to carrying out an approved IPA project, applicants should submit indirect cost proposals to the Commission prior to, or concurrent with, submission of their application for an IPA grant. Where previously approved allocation methods are used as the basis for charging indirect costs to IPA grant funds, copies of the indirect cost submission and the Federal agency approval document must be furnished to the Commission.

Requirements for establishing indirect cost rates and approving cost allocation plans are contained in Attachment A of OMB Circular No. A-87. Further guidance on the establishment of rates is included in the following publications of the U.S. Department of Health, Education, and Welfare, which are available from the U.S. Government Printing Office: A Guide for State Government Agencies, OASC-6; A Guide for Local Government Agencies, OASC-8; A Guide for Non-Profit Institutions, OASC-5 (Revised); and A Guide for Colleges and Universities, OASC-1 (Revised).

[The information which appears on the following pages was furnished by the Civil Service Commission.]

THE IPA: RESULTS

Since its enactment in January 1971, the Intergovernmental Personnel Act of 1970 (IPA) has made a positive difference to the management of State and local governments. Under the IPA, the U.S. Civil Service Commission has made significant contributions to strengthened management capabilities at the State and local levels, improved State and local delivery of public services, increased productivity of State and local employees, and enhanced intergovernmental cooperation and understanding in our federal system.

This is only the fourth year of operation for the IPA programs, and they are enjoying a high degree of respect and acceptance by State and local government officials. The results achieved by the IPA have been large in proportion to the relatively small expenditures of Federal resources involved. Looking at the overall picture of the IPA, we believe there are several major reasons for this success:

The IPA did not require a new and distant Federal agency

Because the IPA was designed to operate through a well established agency, the Civil Service Commission, we were able to build very quickly on the nationwide network of regional and area offices already in place. In other words, we were able to hit the ground running.

Administration of the IPA programs is decentralized

With the exception of the most far-reaching policy issues and decisions regarding nationwide grant applications, all decisions are made at the regional office level. Therefore, issues are decided at the level closest to where they arise.

The program emphasizes a minimum of bureaucratic "red tape"

The aim of the programs is to provide assistance, quickly and capably, where it is needed. We take great pains to keep application and monitoring procedures as simple and easy as possible.

Priority is given to the actual needs of State and local governments

The entire philosophy of the IPA is predicated on intergovernmental cooperation. Therefore, the Commission's role is not to tell State and local governments how to utilize the available IPA assistance. Rather, it is to work cooperatively with the governments to identify their most pressing needs and then provide IPA assistance to meet those needs.

The benefits of individual projects are multiplied

The Commission identifies, through a nationwide information distribution system, projects and products that might be applicable to more than one jurisdiction. In this way, we seek to extend the benefits of projects and to avoid duplication. Also, the Bureau of Intergovernmental Personnel Programs and the Intergovernmental Personnel Programs divisions in our regional offices give priority to projects which are interjurisdictional, i.e., designed to benefit more than one government or agency.

The IPA programs are highly flexible in addressing the problems

By authorizing a variety of tools for assisting State and local governments, the IPA allows us to tailor our improvement efforts to the specific needs in each situation. In one case, an IPA grant or IPA technical assistance might be most effective at solving a problem, while in another, the temporary assignment of a program specialist under the mobility provisions of the IPA might be the most cost-effective and beneficial tool to use.

GRANTS

A total of \$52.5 million has been appropriated by the Congress for IPA grants: (\$12.5 in FY 1972, \$15 in FY 1973, \$10 in FY 1974, and \$15 in FY 1975). The Commission's costs for administering those grant funds, through FY 1975, are estimated to be about \$4.5 million, or 8.5% of total grant appropriation.

Some examples of the types of projects being funded through IPA grants and the positive results they have produced are:

(1) The California legislature initiated a series of orientation sessions for newly-elected State legislators with IPA grant funds. The series was so well received that the legislature decided to continue it with State financing.

(2) IPA funds helped set up similar training programs in Alaska, Illinois, Maryland, Minnesota, Montana, New Hampshire, and Washington. The program in Minnesota drew this comment by the State Senate Majority Leader: "The Minnesota Horizons Seminar was not only a tremendous and innovative idea but also an extraordinary success in the way it was carried out. In my many years of involvement with both public and private informational programs, I have never participated in a more interesting, informative, and well-planned presentation."

(3) Following both the 1972 and 1974 gubernatorial elections, the National Governors' Conference used IPA funds to conduct orientation seminars for governors-elect and their executive assistants. These programs consisted of presentations by present and former governors on topics ranging from organizing a governor's office to development of productive executive-legislative relations. The 1974 program also included on-site management assistance for the governors. This program was praised by the Wall Street Journal.

(4) IPA funds helped set up coordinators in three States (New York, North Carolina, and Utah) to provide training and technical services to elected and appointed county officials. Two of these States (North Carolina and Utah) have continued these programs with their own funding. New York is expected to follow shortly. The success of this program in these three States attracted private foundation support (Lilly) to set up similar programs in Illinois, Indiana, and Ohio. This \$488,000 grant was the largest government-oriented grant made by the Lilly foundation.

The fact that these three programs have been picked up and continued with local money is some indication that they were worthwhile efforts.

Some other examples of positive results include:

(1) In Kinloch, Missouri, an IPA-trained finance director took actions which lowered delinquent city taxes and fees by over 10 percent and reduced the city's outstanding debt by more than 25 percent.

(2) In Fresno County, California, an IPA-funded occupational safety training project lowered the county accident rate, thus saving the County over \$40,000 in lost employee time.

(3) In Indiana, State tax auditors who were trained in an IPA-sponsored course, increased the dollar amount of taxpayer error they found per audit by over 65 percent and increased the amount of new tax revenue they generated each month by over 48 percent.

(4) In San Francisco, employees trained to analyze city operations, identified improved work procedures which saved the city an estimated \$1.2 million on an annual basis.

(5) In Atlanta, Georgia, an IPA-supported study of height requirements for police officers demonstrated that shorter persons can perform as police officers as well as taller persons can. This study was published in the *Crime Control Digest* and led to liberalization or elimination of height requirements in a number of jurisdictions across the country.

A few of the 1975 grants to national organizations may provide some insight into the way the IPA is addressing problems common to many jurisdictions:

(1) The National Center for Urban Ethnic Affairs is training top municipal personnel involved in the delivery of municipal services to develop the public services necessary to reverse the trend of deterioration in specific neighborhoods in Boston, Baltimore, and Toledo.

(2) Howard University's Joint Center for Political Studies is providing training to newly-elected State and local officials to help them develop management, planning, and budgetary skills.

(3) The National Association of Counties is providing management development services to county elected and appointed officials.

(4) The Council of State Governments is developing a program for training State auditors in post-audit techniques for areas beyond traditional fiscal compliance auditing.

One of our administrative priorities over the last year or so has been to systematically evaluate the impact of IPA grant funds. We have taken a number of steps in that direction, and the President's budget for IPA for FY 1976 includes a request for \$300,000 to conduct an overall, objective evaluation of the grant program.

MOBILITY

The Title IV mobility provisions provide a valuable and versatile way of attacking State and local government problems. Mobility assignments also have collateral benefits that far outlive the temporary assignments themselves. They are particularly effective in improving intergovernmental understanding and cooperation. Among the many State and local officials who have been complimentary of the mobility program, are a number of governors and mayors:

(1) Governor Mike O'Callaghan of Nevada said: "I think the interchange of experience at different levels of government is very valuable for employee development in the public service."

(2) Mayor Richard Lugar of Indianapolis indicated that: "If other cities are experiencing similar successes with personnel assigned to them under the auspices of the Intergovernmental Personnel Act, we should attempt to have more federal employees working with State and local government."

Between May of 1971 and March 1, 1975, 2,066 key employees and college faculty members have participated in mobility assignments under IPA. All 50 States, 250 local governments, 200 colleges and universities, and 33 Federal agencies have made use of the provisions permitting temporary assignments of employees of Federal agencies and State and local governments and institutions of higher education.

Some examples of individual mobility assignments may provide an indication of the use being made of the Title IV authority:

(1) Eddie McGloin, an employee of the Seattle office of the Department of Housing and Urban Development, has been assigned to the mayor's office in Detroit as an advisor on community development and housing programs.

(2) The Labor Department has assigned one of its employees, Joseph Rogers, to the mayor's office in Pittsburgh, Pennsylvania, to serve as Director of Manpower Planning.

(3) Mary Earnheart, one of our own Civil Service Commission employees, was assigned to the Texas House of Representatives to work with a subcommittee on personnel.

(4) Melvin Rousseau, an employee of the Department of Interior, was assigned to Northern State College in South Dakota to develop, staff, and direct a training program for Indian students. (Under the Indian Self-Determination and Education Assistance Act, Indian tribes and tribal organizations are now eligible to participate in the mobility program.)

(5) Grace Davis, an employee of the Department of Labor, was assigned to the mayor's office of the City of Los Angeles as Director of Human Resources to develop an area-wide human-care-services plan.

(6) Raymond Urquhart, an AID employee, was assigned to Greenville County, South Carolina, the country's first County Executive.

(7) Henry Decker, a Department of Agriculture employee, went to South Dakota to serve as the State Budget Officer.

(8) Thomas Paviak, an assistant professor at the University of Missouri, led a project team in evaluating HUD's compliance with the National Environmental Policy Act of 1969.

(9) Robert Bradford, an associate dean at the Alabama Agricultural and Mechanical University, served as Deputy Assistant Administrator of the Cooperative State Research Service at the Department of Agriculture.

(10) The Internal Revenue Service has assigned employees to nine States and Guam to help improve the effectiveness of State and local tax agencies. One of these assignees served as the first Commissioner of New Hampshire's new Department of Revenue Administration.

TECHNICAL ASSISTANCE

We have made extensive use of the IPA provision authorizing the Commission to respond to requests from State and local governments for technical help in

improving their personnel systems. This help took the form of technical advice and recommendations in most instances, but in some areas included project work in which we developed systems for the requesting governments.

In Fiscal Year 1974 alone, Commission staff made nearly 11,000 recommendations for specific improvements in State and local personnel operations. More than 8,000 of those recommendations are at some stage of implementation.

Here are some specific examples of projects we have undertaken:

(1) The State of Massachusetts received extensive help in a major modernization of its State personnel function which also serves local government. One effect was expanded opportunity for the job-seeking public to compete for State and local government positions and reduced operating cost for the State.

(2) When Lancaster County, Nebraska, asked for Commission help in implementing its new legislation for a central personnel system, we responded by developing a set of operating rules.

(3) Commission staff advised and assisted Erie County, New York, in the development of a manpower planning system.

(4) Charleston, West Virginia, requested and received our help in centralizing its city personnel operations.

(5) In Missoula County, Montana, the county's efforts to develop a personnel policy manual and a classification and wage system under an IPA grant were supported by technical advice and assistance from the Commission.

In addition, the Commission entered into a contract with the Manpower Administration of the Department of Labor to help State and local governments meet the personnel requirements of the Comprehensive Employment and Training Act.

MERIT SYSTEM STANDARDS

Under the IPA, the Commission was given responsibility for administering the Standards for a Merit System of Personnel Administration. In order to fulfill this responsibility, we review the personnel operations of each State merit system and grant-aided agency, on a three-year cycle. Following these reviews, we identify for the agency managers any problems we may have found and make recommendations for their improvement. In addition, about two years ago we began requiring that each of these agencies submit an affirmative action plan (AAP) annually. These AAPs are reviewed by the Commission's regional staffs, who are familiar with the agencies' operations.

COOPERATIVE RECRUITING AND EXAMINING

The Commission has joined with State and local governments in cooperative recruiting and examining activities to provide one-stop service for job information on 39 State and local jurisdictions and one-stop examining for jobs in 24 jurisdictions. In addition to better service for the public, these centers reduce operating costs for the participating jurisdictions. The Mobile, Alabama, *Register and Press* applauded the cooperative efforts of the county and the Civil Service Commission for the establishment of an Intergovernmental Job Information Center in Mobile.

INTERGOVERNMENTAL TRAINING

State and local government employees can participate in Federal training on either a reimbursable or non-reimbursable basis under the IPA. The Commission has devoted considerable attention to designing training courses for strengthening State and local personnel potential. Also, the Commission encourages other Federal agencies to make their training facilities available to State and local governments.

Through FY 1974, about 140,000 State and local government employees had been trained by Federal agencies, 41,000 of them trained by the Commission itself. The State and local employees received training in a variety of areas, including general management, supervision, office skills, Automated Data Processing, personnel administration and many others.

INTERGOVERNMENTAL PERSONNEL PROGRAMS

[Dollars in thousands]

	Fiscal year—				
	Actual			Estimated	
	1972	1973	1974	1975	1976
1. Grant funds:					
(a) Appropriations.....	\$12,500	\$15,000	\$10,000	\$15,000	\$15,000
(b) Outlays.....	\$2,900	\$13,700	\$14,200	\$14,400	\$15,090
(c) Grant projects (number).....	503	626	477	625	625
2. Administrative cost:					
Total (including grants, M/STA, mobility, etc.).....	\$2,145.1	¹ \$3,079.6	² \$3,665.6	³ \$4,073.0	⁴ \$4,547.9
(a) Grants.....	\$575.5	\$1,140.7	\$1,304.6	\$1,464.0	\$1,798.4
(b) Merit systems administration.....	\$794.9	\$973.9	\$1,212.8	\$1,492.0	\$1,487.6
(c) Nonreimbursable technical assistance.....	\$774.7	\$965.0	\$1,148.2	\$1,117.0	\$1,261.9
3. Permanent full-time employees:					
Total.....	167	248	245	264	262
(a) Region.....	108	188	192	204	202
(b) Central office.....	59	60	53	60	60

¹ Increase reflects the 1st year the program was fully staffed.² Increase reflects additional emphasis on EEO related assistance and additional workload in grant monitoring and evaluation.³ Increase reflects assistance to achieve job related and valid selection systems.⁴ Increase is for an outside evaluation of the impact of IPA grant funded projects



