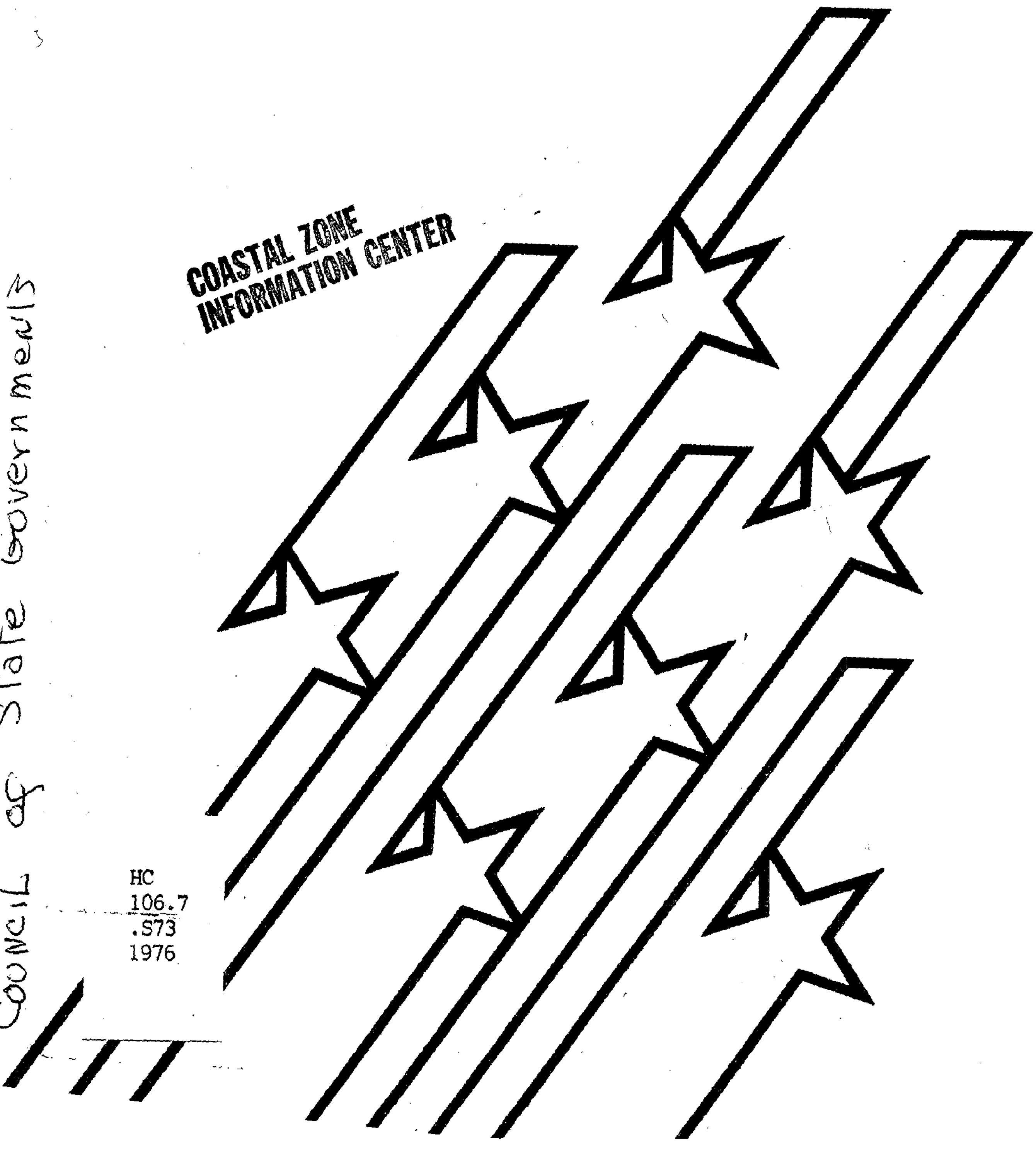
State Growth Management

May 1976



Council of State Governments

State Growth Management

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by:
The Council of State
Governments
Lexington, Ky.

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Preface

One of the greatest challenges in the development of a national growth policy lies in devising a workable approach to coordinating the critical growth activities of fifty diverse state governments with the policies and programs of myriad Federal agencies. There has never been a systematic portrayal of the experiences of all states in the planning for and management of economic and physical change.

This report represents an attempt to document the diverse roles and programs adopted by state governments in responding to the wide, systematic review of the capacities and experiences of state governments in managing growth. It reports on recent actions and identifies innovative approaches. This description is designated to provide a perspective on the states to the many individuals and organizations concerned with developing a national growth policy and with assessing the state role in this policy.

Source materials were many and diverse. They include recent governors' state-of-the-state and budget messages to the legislatures; results from a preliminary verification questionnaire to state planning agencies; various state reports and documents; telephone interviews with state officials and agency associations; field interviews; and several hundred bibliographic sources. The publications, subject files and technical staff of the Council of State Governments provided an important primary base of information.

Judgments were made as to the relevance of materials to be included in a brief overview report. The basic guidelines for inclusion were emphasis on the 1973-1974 biennium, on legislative and executive actions, and on growth policy development processes. The materials selected for review were chosen in the context of a working definition of state growth policy. State growth policy is the articulation of goals and implementation of programs designed to affect the quantity, quality, and location of human settlement, economic development, and government services.

The report was prepared by a project staff of the Council of State Governments under the supervision of H. Milton Patton, Associate Director of State Services. The project director was Leonard U. Wilson, who wrote most of this report. Background papers and sections of this report were prepared by Council of State Governments' staff members, L. V. Watkins, Ann D. Stubbs, Tom Hauger, Robert D. Matthews, James L. Breithaupt, and Jimmy E. Hicks; and by student interns, Elise Chapman, George Orbanek, Barry Murphy, Gerald Smith, and James Penning. Clerical support was provided by Brenda Mearns, Mardell Horn, Joan Miller, and Susan Harding.

A number of case studies on state growth management were also prepared to supplement the survey materials. The case studies clearly demonstrate the authority and mechanisms employed by specific states to develop and implement growth policy. They also show the pivotal roles states have assumed thus far in the management of major growth issues. The information for these case studies was derived from extensive interviewing in the states covered.

Many individuals participated in one day advisory panels during the five month study period, including: Paul Handler, Director of Population and Energy Group, University of Illinois; Kenneth M. Curtis, Former Governor of Maine; Philip M. Savage, Director of the Colorado Land Use Commission; S. Kenneth Howard, Budget Officer, State of North Carolina; E. Blaine Liner, Assistant Director of the Southern Growth Policies Board; Dale F. Bertsch, Executive Director, Miami Valley Regional Commission; William V. Donaldson, City Manager, Cincinnati; Floyd J. Argersinger, Program Coordinator, Office of Program Planning and Fiscal Management, State of Washington; Daniel W. Varin, Chief of State Planning Program, Rhode Island; William N. Kelly, Legislator, State of Minnesota; Neil Peirce, Author, Washington, D.C.; and John W. Abbott, Executive Secretary, *California Tomorrow*.

government thinking. The comfortable expectation of ever expanding resources on which state policies has rested for 30 years had been shattered by inflation, recession, the energy crisis, and a nationwide crisis of confidence in government and the political process.

Except for those states with readily exploitable energy resources or strong agricultural economies, the management of growth in the sense of influencing the location of people and economic activity was not a dominant concern. Within the broader definition of the Urban Growth and Development Act, that of developing economic strength, conserving natural resources, and protecting the environment, the states were in a critical period because of the combined negative forces of economic, energy, and political problems.

Recession and Inflation

The combined forces of inflation and recession created severe fiscal and management problems for the great majority of states. Faced with constitutional requirements for balanced budgets and taxpayer antagonism to tax increases, state officials were forced to cut programs, services, and personnel.

The unemployment rate in Massachusetts in the fall of 1975 hovered in the vicinity of 13 percent of the labor force. More than 362,000 people were out of work.[4] Governor Michael Dukakis told the Legislature in September that the budget deficit for the 1975 fiscal year would be $460 million with the prospect of a $750 million deficit in 1976. In November the Legislature passed a $3 billion budget that would require $364 million in new taxes and cuts in programs. The House voted to cut medicaid and general relief funds.[5]

The Governor had already cut spending $70 million and eliminated 2,600 jobs. He proposed additional cuts of over $400 million that still fell short of balancing the 1976 budget. "Unfortunately," he said, "both the underestimates of the cost of welfare and the overestimates of revenues—which dropped substantially because of the recession—have brought us up short of our budget." [6]

The impact of the rising cost of labor, materials, and services combined with that of declining tax revenues caused repercussions on 1975 and 1976 fiscal year management in states across the country. In Virginia, Governor Mills E. Godwin, Jr., ordered a 5 percent cutback in state aid to local schools to cut $20 million from the State's projected deficit. Colorado Governor Richard Lamm proposed a $24.7 million cut from the 1976 general fund budget. The Governors of Vermont and Nebraska called special legislative sessions in October 1975 to deal with projected deficit.[7]

The Georgia Legislature, prompted by Governor George Busbee, cut $126 million from the 1976 budget, including $15.9 million from welfare medical programs. Pay increases, even to keep abreast of the rise in the cost-of-living, were postponed indefinitely and plans were made to drop up to 21,000 people from welfare rolls. Governor Dan Walker Cut $535 million from the Illinois Legislature's spending plans. Governor Brendan Byrne told the New Jersey Legislature, "We are not talking about trimming a budget; we are talking about taking a hatchet to it to make it fit the $2.4 billion in anticipated revenues from our present sources."[8]

Curbing State Spending

Of 48 states responding to a survey made for the Joint Economic Committee of the Congress in early 1975, 22 had already been forced to cut their level of services in the 1975 fiscal year. Twenty-three had cut existing positions or frozen hiring; 25 had delayed some capital expenditures. Of the 18 states the report identifies as having high unemployment rates, 10 raised taxes, 14 cut services, 13 cut employment and 13 delayed investments. Among the more fortunate states with energy resources or strong agricultural economies, there were also cutbacks. Of the 21 states in this group which responded, eight raised taxes, five cut services, six cut personnel, and eight delayed investments.

While more than one-half of the states were reporting some form of direct fiscal adjustment in 1975, many of the others were drawing down their reserves. Because 40 states are either prohibited from deficit spending or have low deficit ceilings, there is a tendency in state fiscal management to maintain a cushion of surplus. Tax revenues exceeded expectations in many states during the recovery from the slump in the early 1970s. The total of the state surpluses reported by the 48 state respondents was $6.5 billion as fiscal year 1975 began. This was diminished by 40 percent to $3.9 billion by the end of the fiscal year.[10]

All the states to varying degrees found themselves with fiscal problems in 1975. For many states, the prospect of national economic recovery, while welcomed, is not expected to resolve state financial problems which Governor Dukakis describes as "paying dearly for our past spending habits." [11] The budget document that Governor Dukakis inherited when he took office in 1975 had warned:

> In area after area, the state committed itself to built-in increases whose growth exceeds the growth built into the tax structure. . . . The state government, constituent groups, the media and the general public are going to have to begin to measure new spending commitments more care-

fully against the standard of anticipated revenue increases.[12]

Governor Robert Ray of Iowa stated the problem bluntly: "We must learn to say no. . . .We cannot pay for all the government some of us would like to have."[13]

Governor Hugh Carey greeted the 1974 New York Legislative session with an introduction to this budget which attacked the "idea of government as an ever-expanding institution, to be paid for from the ever-expanding riches of tomorrow."

Carey continued:

> Well, Tomorrow is here. . .and this government will begin today the painful, difficult, imperative process of learning to live within its means. . . . We cannot continue to pass our responsibilities to the next generation of taxpayers. Now is the time, when economic hardship dramatizes needless spending, to bring government back into line with reality. A program that cannot be justified in hard times should never have been created in good times, and this is the time to rid ourselves of those drains in the pockets of the people.[14]

The Energy Crisis

The shortages and increased cost of energy were directly felt by all state governments in inflated costs of operating state facilities and increased materials and construction costs in capital projects. Budgeting for heating, cooling, lights, paving, and vehicle operation became a universal headache. No state's economy escaped the repercussions from the three-fold increase in petroleum prices with its impact on the cost of transportation, farming, manufacturing, construction, and services. These contributed to general recessionary trends felt in decreased tax revenues from adversely affected sectors of the economy.

There has been general acknowledgement among the states that the energy problem is long-term. The Nation's governors, in the National Governors' Conference 1975-1976 policy statements, declare that the states must take the lead in national efforts to conserve energy and they speak specifically of the wasteful use of electricity and petroleum products in declaring "a national attitude must be created that includes the awareness of waste and its costs to our society. . . ."[15] A Kentucky energy policy paper begins with the statement: "America's energy crisis did not begin with the Arab oil embargo. The embargo forced us to acknowledge its existence sooner than we would have otherwise, but the problem has been emerging for some time. The reason is basic: our consumption of energy has been expanding at a faster pace than our capacity to produce it."[16]

The Hardest Hit

The economic problems of the high unemployment states were closely tied to shortages and escalating prices of energy following the Arab embargo in 1973. Because of geography and lack of an indigenous energy supply, the New England states have been the hardest hit. At the time of the imposition of the embargo, the region was dependent on petroleum products for about 90 percent of its total energy supply and 88 percent of its petroleum supply was imported from abroad. When the cost of a barrel of oil rose 300 percent between May 1973 and February 1974, the estimated loss to New England's economy was $2.5 billion.[17]

The energy problems of New England were only slightly less severe for many northern industrial states where the decline in demand for manufactured goods coincided with the onslaught of the energy crisis in late 1973 and 1974. Ten of the 18 high unemployment states are in the Northeast and North Central regions. The three Pacific Coast states of the contiguous 48, where oil and natural gas account for 81 percent of energy use, are also high unemployment states and high unemployment in the southeastern coastal states can be linked to the natural gas dependency of the textile industry.

The Energy Producers

Although they may be freed from worries about state revenues, the energy producing states face other problems as federal policy promotes national energy independence. These are the problems of anticipating and dealing with the economic, environmental, and social impacts of energy resource development.

Kentucky is the largest producer of the country's most available natural resource of energy: coal. As one of the major energy producing states, Kentucky can view the economic future with more confidence than the net energy consuming states. However, being energy rich is a mixed blessing. Governor Julian Carroll points out that "Kentucky bears the total social cost of environmental damage, reclamation, manpower training, and high upkeep."[18]

Utah has immense and largely undeveloped energy resources including coal, oil, natural gas, oil shale, and uranium. The State's leadership is wary of the potential adverse impacts of energy exploitation on the State's communities. The coal and oil deposits are, for the most part, remote from existing metropolitan areas. Existing small towns in the development areas are in danger of being overrun by rapid expansion, and in many areas whole new communities will have to be planned and built. A state energy policy report says: "Roosevelt, located in the center of the oil rich Uintah Basin, is one example of a town that has already boomed as a result of oil development. The increased population led to increased demands for facilities and services out-stripped funds and resources of the city to provide them." [19] The community grew from 2,000 to 5,000 in population in three years. Governor Calvin Rampton has warned "that our expected economic development will result in population shifts, with the effect that totally rural areas will suddenly become populous, presenting a demand for new roads and streets, adequate water and sewage systems, new schools and community services.... We can meet these challenges. But, if they descend on us suddenly, they could be overwhelming." [20]

A report to the Governor of Wyoming describes the coal development impact problem:

> As new people move into a coal development area, they are usually drawn toward population centers. With additional people demanding basic public services, cities are forced to increase total expenditures in response. But, the ability of Wyoming cities to raise sufficient revenues in meeting impact demand is limited. Constitutional constraints govern city mill levies and bonded indebtedness. Other statutory restraints are placed on revenue sources such as state shared revenues and user charges. Furthermore, since coal production and conversion processes are likely to fall outside municipal taxing jurisdiction, cities are unable to include these sources in their tax base.[21]

Threatened Resources

The concern in North Dakota is the loss of agricultural land to strip mining. The State has extensive reserves of lignite, a low grade coal that may be the ideal raw material for gasification for electricity generating complexes. The State estimates that nearly 13 square miles of lignite will be stripmined annually, a total of 516 square miles in 40 years. In the words of Governor Arthur Link, "the net result could be trading North Dakota's infinitely productive agricultural land for a one-time lignite harvest to provide short-term energy needs."[22]

The consumption of water in energy production is a particular problem in the western states. In some counties in Utah, farms are being purchased to gain water rights for use in power generation. The State probably does not have enough water to support all of its potential energy related development. The demand for water for oil shale, coal conversion, and coal fired generating facilities in the Colorado Basin area is expected to exceed the State's annual allocation under the Colorado River Compact in the next several years. Current applications for all purposes already exceed Colorado's share by four times.[23]

Speaking for all the Rocky Mountain States, Governor Rampton of Utah warns "our States do not have enough water to support all the energy related developments which our resources could attract.... We must preserve our limited water resources for the culinary, agricultural, and recreational use of the people in the towns and cities that will be experiencing tremendous growing pains as a result of the development and recovery of our energy resources. I do not want to see our rivers and creeks dry up from abuse and overuse." [24]

Threatened Quality of Life

The energy producing states are generally worried about the effects of energy and energy related development on the quality of their physical environment and their life styles. The Kentucky energy development policy paper says:

> The Commonwealth is blessed with an unusually wide variety of land and water resources, and its people are proud of the variety and quality of their environment. We are confident that man's growing need for energy can be met without long-term degradation of our environment. Otherwise, this program would be a travesty and not an opportunity to enhance the lives of our people.[25]

Jack Campbell, president of the Federation of Rocky Mountain States and former governor of New Mexico, told that group's annual meeting in 1974:

> One specific concern that each of our governors has had for some time, and is growing almost daily, is how to protect the quality of life we enjoy in this region while simultaneously sharing our rich energy resources with the rest of our Nation.
>
> We recognize that the development of energy resources is a national requirement, but at the same time, we strongly believe these resources should be developed in such a manner—and at such a rate—that the quality of life we enjoy here is not seriously affected.[26]

Environmental Quality

In the late 1960s and early 1970s air and water pollution, depletion of irreplaceable natural resources, urban sprawl, indiscriminate use of dangerous chemicals, fear of nuclear generating plant accidents and desecration of scenic countryside and wild areas combined to create a national awareness of the abuse of the physical environment that had hitherto been a generally accepted—although often inadvertent—consequence of American economic and personal behavior. The Congress reacted with the passage of the National Environmental Policy Act (1969), the Clean Air Act (1970), and the Water Pollution Control Act (1972). The Council on Environmental Quality and the Environmental Protection Agency were established. Programs were initiated on coastal zone management, noise abatement, pesticide regulation, and solid waste disposal.

The states acquired substantial administrative responsibilities under these programs and created their own organizational structures to carry out these responsibilities. Most states adopted state environmental policies in areas of their specific concern such as strip mine reclamation, wetlands protection, land use control, power plant siting, and scenery preservation, and some set their own higher standards for air and water quality.

For most states, federal and state environmental program management was still in its formative stages when the energy and economic crises began to build in 1974 and 1975. Pressures developed for relaxation of environmental regulations to expedite energy resource exploitation, to ease the economic burden on utilities and industry of pollution abatement expenses and to relieve unemployment by permitting new housing and industrial and commercial development to escape full compliance with environmental protection laws.

Defending Environmental Laws

Attorneys general of 30 states meeting in October 1975 agreed that their legislatures and state administrations were on the defensive. "It is hard in economic times as we have not to maintain environmental leadership" said Vermont's attorney general. "The pressure is on us to give up and get out and let industry have its way." California's chief law enforcement official said environmental causes "have become something of a rear guard action... the reason is the economy." In North Dakota, "We've been trying hard to resist sneak attempts by the feds to open up our coal fields without the state-desired controls," the State's attorney general said. The assembled attorneys agreed that despite the pressures, it was important to keep up the fight for clean air, water, and sensible land use.[27]

In Oregon, Governor Robert Straub attacked what he referred to as a narrow segment of the State's industry for trying to generate a movement to repeal Oregon's pioneering land conservation and development law. At the annual meeting of the Associated Oregon Industries, the governor called the effort "an act of war against the citizens of the State." He went on to say "I will not yield an inch and I will mobilize an army of good citizens who will stand behind me to protect what we have achieved." [28]

The Land Use Issue

Despite their economic and energy problems, the governors collectively voiced serious concern on problems of land use at the June 1975 annual meeting of the National Governors' Conference. The governors adopted a detailed policy statement that framed the land use issue in these terms:

> There is a need to face the issue of national and state-wide land use planning and decision-making in this decade. The proliferating transportation systems, large-scale industrial and economic growth, conflicts in emerging patterns of land use, fragmentation of governmental entities exercising land use planning powers, and the increased size, scale, and impact of private actions have created a situation in which land use management decisions of national, traditional, short-term economic considerations and other factors, which are often unrelated to the real concerns of a sound land use policy.
>
> Across the nation, a failure to conduct sound land use planning has required public and private enterprise to delay, litigate, and cancel proposed public utility and industrial and commercial developments because of unresolved land use operations, thereby causing an unnecessary waste of human and economic resources and a threat to public services, often resulting in a decision to locate utilities and industrial and commercial activities in the area of least public and political resistance, but without regard to relevant environmental and economic considerations.[29]

Population Trends

Census figures and demographic studies for the 1970s suggest population movements, both regional and inter-regional, that could have profound implications for state growth and development policies. A potentially major trend is revealed by figures for the early 1970s that had demographers and public officials bemused. Census figures for 1970-1973 showed that the dominant trend of the period of 1940 to 1970 of rapid urbanization had markedly diminished and that there was a shift in population distribution toward metropolitan areas—counties having no cities of 50,000 or more—and smaller cities distant from large metropolitan areas.[30] The non-metropolitan counties adjacent to metropolitan areas showed the highest rate of growth, suggesting possibly that the new movement was simply an extension of urbanization patterns. However, the more distant counties from the cities in the aggregate grew faster than the city areas.[31]

Analysis of Changes

Demographers found various reasons for the shift. A United States Department of Agriculture study commented:

> This turnabout in the pattern of population growth reflects in large part the increasing availability of jobs in nonmetro areas. The slower growth in metro areas is basically determined by very low growth or even decline in most of the Nation's major metro areas. The small and medium-sized metro areas are more similar to the nonmetro pattern.[32]

Another Department of Agriculture analysis noted that the significant increases in rural areas not adjacent to metropolitan counties came in specific places where a major state facility, such as a state college, was expanding; where new mining operations had been opened; or where recreation or retirement communities were being developed.[33]

An analyst of Upper Midwest population trends noted:

> Recent interpretations of these trends have led many people to believe that urban expansion has been abruptly halted or even reversed. Closer investigation of these data, especially as they related to the Upper Midwest, indicate that such conclusions require clarification. Most of the population growth in the Upper Midwest has been and continues to be urban expansion, but the range of urban growth has extended far into the countryside and to the small towns within commuting range of the employment centers. The largest volumes of recent population growth in the Upper Midwest remain near and related to major urban areas. Futhermore, recent trends in nonmetropolitan growth are not abrupt changes from the past; they are not essentially different from those trends apparent during the 1960s. The changing patterns of population distribution on the landscape represent accelerations of past trends and expressions of long-term desires, facilitated by increasing income and mobility.
>
> Caution should be exercised in the interpretation of recent population statistics. Most reporting has emphasized the *rate* of post-1970s population changes rather than the volume. Thus, areas with small population bases may have experienced substantial rates of population growth, though not large numerical increases.[34]

For state policy makers, a long-term shift in the pattern of intra-state population distribution will have significant implications for capital investment planning and planning for state service delivery. However, until such a trend is established over a longer period, the interest of most states in population changes is likely to be in inter-regional migrations, the generally declining birth-rate and the changing size of age groups as these affect school enrollments, housing availability, health care, and programs for the aged. Only in the instance of sudden very sizeable increases in the population of a rural area, such as that occurring in relation to large energy projects in the Rocky Mountain States, do states appear to regard population shifts as a critical issue.

Confidence in Government

The *New York Times* reported in October 1975, the results of a national survey that reported a substantial decline in optimism about the Nation's future. "Inflation, the apparent inability of the country to solve its economic problems and a foreboding that the energy crisis will mean a permanent step backward in the nation's standard of living have made inroads into American's confidence, expectations, and aspirations"[35] the study found. The study indicated that the sense of losing ground economically was the strongest reasons for the erosion of optimism, but a loss of confidence in government contributed to the apprehension about the future.

Governor Daniel J. Evans greeted the 1975 session of the Washington State Legislature with these words:

> We have emerged from the incredible turmoil of the last decade. Turmoil in which our cities throughout the land have been turned topsyturvy. Turmoil in which the campuses of higher education of this nation have seen riots and disruption as never before. Years in which we finally work up to the problems of protecting the natural environment of this nation. Years of great and long-lasting war which went on to the increasing distaste of American citizens. Now, at the end of that decade, we must face up to problems of inflation, problems of economic setback nationally, which we have seldom faced before.[36]

The report of a citizen's group asked by Governor Evans of Washington to consider present problems and future alternatives for that State expresses citizen frustration with government:

> During the past two decades we have experienced the advent of mass communications. At the same time, our educational level has risen tremendously. More and more, the general public is as well informed on critical issues as its public officials, and is just as capable of making intelligent decisions. But what has happened? Our system allows very little direct involvement. People become frustrated with government; they have begun to feel unable to

influence its decisions. However, we know that people want to become involved more directly.[37]

The report cites a response to a survey question indicating that 90 percent of those questioned placed increased citizen participation in government as a high or medium priority. Another illustration of public sentiment showed that about three-fourths of the people in the mail and telephone surveys wanted more issues decided by popular referendum and fewer by the Legislature.[38]

The latter attitude prompted Governor Evans to tell the Legislature that there was "a deeply felt and clearly expressed dissatisfaction with the institutions of representative government." He went on to say:

> There is no more serious threat to our society than an electorate which feels so frustrated by the governmental process that large numbers reject voting as an effective method of participation and who prefer that decisions be made by plebiscite rather than by their elected representatives.[39]

In the difficult years of 1974-1975, the crisis of confidence in government—national in its origins along with the economic, energy, and environmental crises—was compounding the difficulties of state governments in coming to grips with their problems and fashioning solutions to them.

The Growth Issues

The condition of the economy is creating grave concern about the future for all the states, but particularly for those states facing severe fiscal problems linked to high unemployment, dwindling revenues and swelling public assistance rolls and costs. The words of governors and actions of legislatures across the Nation demonstrate the recognition of the need to anticipate the possibility of an extended era of a diminished rate of economic expansion. For the foreseeable future, the cloth of state government programs will have to be cut to a pattern of very limited expectations.

Even for those states with strong energy based economies, burdens of generally inflated government costs are compounded by the costs of providing for infrastructure and community services for development in advance of tax income from operating enterprises. Moreover, these states have to face critical, long-term environmental and resource problems as energy development competes for water and land with agriculture and recreation and threatens traditional life styles. "In Idaho," said Governor Cecil Andrus, "we must manage growth so that it will not destroy the quality of life that makes Idaho great."[40]

Opponents of environmental protection have used the state of the economy and the energy crisis as the basis of efforts to fight environmental regulation and demand the removal of environmental laws from the statute books. However, governors across the country are defending a position that is positive to growth and placing a priority on job creation while insisting that such growth be compatible with the quality of their state's environment.

Faced with the imperative of doing more with less, governors are generally proclaiming the need to improve their management capability, to operate programs more efficiently, and to assure that the programs and activities of government are directed to the accomplishment of priority objectives. Governor Dukakis defined the imperatives for Massachusetts: "First, we must rethink the role of state government, taking into account its limitations and defining its priorities. Second, we have to make some major improvements in the efficiency of state government."[41]

Footnotes

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2. *Ibid.*, Sec. 703(a)(5).
3. *Ibid.*, 702(c).
4. Boston Sunday Globe, "Massachusetts Needs Jobs—and More Jobs," October 26, 1975.
5. State Government News, "Bullet-Biting Budgeting Continues," October 1975 and "Budget Shortages Trouble States," November 1975.
6. Nation's Business, "The Money Crunch for States and Cities," October 1975.
7. *Op. cit.*, State Government News.
8. *Op. cit.*, Nation's Business.
9. *The Current Fiscal Position of State and Local Governments.* Joint Economic Committee, Congress of the United States, May 6, 1975.
10. *Ibid.*
11. *Op. cit.*, Nation's Business.
12. As quoted, Boston Globe, "Sargent View of State's Money Crisis," October 25, 1975.
13. *Op. cit.*, Nation's Business.
14. *Budget Message*, Governor Hugh Carey, State of New York, January 1975.
15. *Policy Positions 1975–1976*, (D-2, D-3), National Governors' Conference, 1975.
16. *Kentucky's Response*, State of Kentucky, Second Edition 1975.
17. *Annual Report Fiscal Year 1974*, New England Regional Commission.
18. The Lexington Leader, "Carroll Seeks Aid in Energy Development," October 21, 1975.
19. *Energy-Rich Utah—Natural Resources and Proposed Developments*, State of Utah, Department of Community Affairs, August 1975.
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21. *Fiscal Impact of Large Scale Coal Development on State and Local Government in Wyoming*, Gary Yaquinto and Michael N. York, April 1975.
22. *Innovations in State Government*, "A Basic Issue: Energy or Food?," Governor Arthur Link, National Governors' Conference, June 1974.
23. "Managing A Growth Explosion," Leonard Wilson, Council of State Governments, October 1975 (case study for 1976 National Growth Report).
24. *Ibid.*
25. *Op. cit., Kentucky's Response.*
26. *The Future of the Human Environment in the Rocky Mountain*

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27. The Times-Argus, Barre-Montpelier, Vermont, "Diamond Warns Recession Will Cause Campaign to Ease Environmental Laws," October 16, 1975.
28. The Oregonian, Portland, Oregon, "Governor Straub Warns Industrialists Not to Block Land Use Agency," September 20, 1975.
29. *Op. cit., Policy Positions* (D-14).
30. *The Economic and Social Condition of Nonmetropolitan America in the 1970s*, Economic Development Division, Economic Research Service, U. S. Department of Agriculture for the Committee on Agriculture and Forestry, U. S. Senate, Committee Print, USGPO, May 30, 1975.
31. *Ibid.*
32. *Ibid.*
33. Statement by Calvin L. Beale, Economic Research Service, USDA before House Subcommittee on Housing and Community Development, September 4, 1975.
34. "Don't Jump to Conclusions About the 'New' Population Trends," Neil C. Gustafson, Associate Director, Upper Midwest Council, July 21, 1975.
35. New York Times, "Economy's Decline Mars Belief in the American Dream," October 26, 1975.
36. State of the State Address, Governor Daniel Evans, State of Washington, January 13, 1975.
37. *Alternatives for Washington*, Vol. I, Office of Program Planning and Fiscal Management, May 1975.
38. *Ibid.*
39. Governor Daniel Evans, Address to Joint Session, January 13, 1975.
40. State of Idaho: Report from the Governor, October 27, 1975.
41. *Op. cit.*, Nation's Business.

II. The State Response

Age of Slowdown

Economist Kenneth Boulding has identified a universial problem of "the management of decline."

> But we are very ill equipped for the management of decline. For several generations, a considerable proportion of the human race, and the United States in particular, has enjoyed growth in almost all aspects of social life. We have had continuous growth in population, almost continuous growth in per capita real incomes, in productivity of the overall society, and in the gross national product (GNP). All over institutions and ways of thinking have survived because they were well adapted to an age of rapid growth.
>
> If this age is now coming to an end, large adjustments will have to be made in our ways of thinking, in our habits and standards of decision making, and perhaps even in our institutions. The prospects for the next fifty or one hundred years. . . suggest we are now entering the age of slowdown.[1]

Boulding's picture of generally diminishing economic expectations is one that governors, legislators, and other officials take seriously.

Accepting Responsibility

The reaction of state officials is positive, both as to the future and in delineating the role they as state officials must play. In Michigan, a state particularly hard hit by economic recession and petroleum shortages, a state official describes the economy of the State as "at the crossroads." "The issues," he says, "are the dislocation of the automobile industry, quality of the environment, and a profound concern for the availability of energy resources." [2] Michigan's Governor William Milliken's response is, "it is up to the elected officials of Michigan to lead and inspire the people through and out of a wilderness of doubt, cynicism, despair and fear." [3]

In Michigan, as in most of the states, growth management policy is viewed as a coordinated effort to expand the State's economic base while protecting its environment. The Governor and the Legislature have initiated specific programs in industrial and economic development and in environmental management and they have instituted structures and procedures to orchestrate these strategies. While the objectives of these programs and the process set up to coordinate them are not defined in terms of an explicit state growth policy, they are nevertheless, the embodiment of the State's intentions in shaping and controlling its future.

Problems of Categorization

Every state has its distinctive governmental structure, mode of operation, and philosophy. While all 50 states share economic, energy, and environmental problems to some degree, the way in which these problems affect the different states varies widely. Energy and agricultural resource distribution and industrial job distribution tend to create regional economic patterns, but these regions do not conform with traditional geographic regional delineations. To understand state growth management strategies, it is necessary to consider the aggregate of programs and processes and to look at policies, activities, and organizational initiatives of specific states in the broad categories of energy producing states, agricultural states, and industrial states.

ECONOMIC DEVELOPMENT

Job Creation Priority

Rates of employment and unemployment in any given state generally reflect the overall health of the national economy and particular economic events and activities that affect major segments of the state's economy. Thus, for example, a petroleum shortage hits hardest where automobile manufacturing is concentrated and where there is strong dependency on automobile based tourism and recreation. Space exploration benefits the centers of aerospace technology, and a slowdown in the programs means high unemployment in those centers. Wheat sales to the Soviet Union have a broadly felt stimulative effect in the agricultural states. High energy prices spur energy resource exploitation in the resource states, but act as an economic depressant in the energy dependent states.

The significant decisions that determine the health of the overall economy and initiate these particular events and activities are made in the private sector and by the Federal and foreign governments. The states have only marginal influence and control.

Nevertheless, high unemployment and severe fiscal problems have spurred many states to place economic and industrial development at the top of their governmental agenda in the mid 1970s.

Traditional state development activities are: (1) financial assistance, including state and local tax incentives, loan guarantees, direct loans, development and building authorities, and enabling authority for local industrial development financing; (2) locational assistance, including promotion and liaison, support of industrial park development, and technical assistance in site location; (3) manpower development, including vocational training and manpower planning; and (4) information services, including research, statistical reporting, advertising, and promotion.

Industrial Assistance (Table I)

Nearly every state in the Nation has some form of financial assistance program for industry. The most common vehicle is industrial development authorities now functioning in 22 states. Existing plant expansion is eligible for assistance in 24 states. Loans and loan guarantees, variously for construction, machinery, equipment or the establishment of plants are offered by 29 states.[4]

Some form of tax incentives for industry are provided by all the states, with 39 exempting raw materials from inventory taxes, 32 providing incentives for compliance with pollution control laws, and 30 exempting new machinery from sales taxes. However, only 15 states allow accelerated depreciation of industrial equipment. Nine provide excise tax exemption, but 18 exempt industry from corporate taxes.[5]

All of the states have information and technical assistance programs to help and encourage plants to locate within their borders and all have programs to assist and train industrial employees. These programs are supplemented in every state by a variety of devices such as providing industrial sites, help in bidding on federal procurement contracts, and sponsorship of research.

Foreign Trade and Investment

Promoting foreign trade opportunities for state products and attracting foreign investment in state industry is a growing area of state activity. In 1973, only five states had overseas offices. In the two years that followed 12 states opened overseas offices. Several governors have led overseas trade missions. Forty-eight states, Puerto Rico, and the Virgin Islands are participating in an "Invest in America" program instituted by the National Association of State Development Agencies in cooperation with the United States Department of Commerce. The program, aimed at attracting large scale foreign investment, provides information and contacts for potential foreign investors and sponsors seminars that bring investors together with state and federal officials and private sector representatives.

Most states have provided marketing and promotional assistance for agricultural commodities for a number of years. Presently 46 states provide some form of marketing assistance. During the last two years several states have expanded this type of service. Florida, in 1974, passed legislation that enables citrus fruit producers and handlers to correlate more effectively the supply and marketing orders, affecting varieties of citrus fruits, in an effort to establish orderly marketing conditions and flow of supply to the market. Texas, in 1973, established a market order for any designated fruit or vegetable produced and distributed in the State. Also, 42 states belong to one or more interstate organization established to promote the sale of agricultural products on an international basis.

Economic Development Planning (Table II)

In support of programs and activities, states have initiated statewide economic development planning programs. Section 302 of the Public Works and Economic Development Act of 1974 provides funds to the states to establish a state economic planning process that is intended to focus on the role of state government and public infrastructure investment in stimulating and managing growth. By mid-1975, nearly all the states had started activities under the act. Twenty-four states already had Councils of Economic Advisors, usually composed of state officials and representatives of business, industry, and the academic community. Twenty-two states had full time economic advisors to the governor. However, state economic development planning was generally regarded as in its infancy with only a few states attempting sophisticated technical efforts.[6]

A State Development Program

An example of the scope of a state development program can be found in Michigan where the recession and energy crisis have hit with particular severity. The automobile industry has been the mainstay of the economy accounting for 14 percent of all employment in the industry's peak employment year of 1956. By 1974 auto industry employment had dropped to 10 percent of the State's total. Moreover, the future of the industry was uncertain. The cost and availability of gasoline, the costs of manufacturing, and the pollution, congestion, and land use problems blamed on private vehicle use have inspired predictions of a de-

TABLE I
SPECIAL STATE SERVICES TO ENCOURAGE INDUSTRIAL DEVELOPMENT*

STATE	State, city or county provide free land for industry	State, city and/or county finance speculative building	State, city or county own industrial park sites	State funds for city and/or county development-related public works projects	State program to promote research and development	State program to increase export of products	State help in bidding on federal procurement contracts
ALABAMA		X	X	X	X	X	
ALASKA			X	X	X	X	
ARIZONA		X	X			X	
ARKANSAS			X	X	X		
CALIFORNIA	X		X	X			
COLORADO	X	X	X	X		X	
CONNECTICUT	X	X	X	X	X	X	X
DELAWARE				X			X
FLORIDA			X		X	X	
GEORGIA		X	X	X	X	X	X
HAWAII					X	X	X
IDAHO				X	X	X	
ILLINOIS			X	X	X	X	X
INDIANA			X	X	X	X	X
IOWA				X	X	X	
KANSAS		X	X		X	X	
KENTUCKY				X	X	X	X
LOUISIANA	X		X		X	X	
MAINE	X		X			X	
MARYLAND			X	X		X	
MASSACHUSETTS		X	X	X	X	X	X
MICHIGAN		X	X		X	X	X
MINNESOTA			X	X		X	X
MISSISSIPPI	X	X	X		X	X	X
MISSOURI		X	X	X	X	X	
MONTANA			X				
NEBRASKA		X	X	X	X	X	X
NEVADA		X	X			X	
NEW HAMPSHIRE		X	X	X	X	X	X

Table continued next page

TABLE I—CONTINUED

STATE	State, city or county provide free land for industry	State, city and/or county finance speculative building	State, city or county own industrial park sites	State funds for city and/or county development-related public works projects	State program to promote research and development	State program to increase export of products	State help in bidding on federal procurement contracts
NEW JERSEY			X	X	X	X	X
NEW MEXICO	X	X	X			X	X
NEW YORK		X	X	X	X	X	X
NORTH CAROLINA			X	X	X	X	X
NORTH DAKOTA	X	X	X		X	X	X
OHIO				X	X	X	X
OKLAHOMA	X	X	X		X	X	X
OREGON			X	X	X	X	X
PENNSYLVANIA			X	X	X	X	X
RHODE ISLAND		X	X		X	X	X
SOUTH CAROLINA	X		X	X	X	X	
SOUTH DAKOTA	X		X			X	X
TENNESSEE			X	X	X	X	X
TEXAS			X	X		X	
UTAH					X	X	
VERMONT		X	X	X		X	X
VIRGINIA		X	X	X		X	
WASHINGTON			X			X	X
WEST VIRGINIA							
WISCONSIN			X	X	X	X	X
WYOMING	X		X		X	X	X

* SOURCE: Data compiled from Council of State Governments, *Book of the States* 1976-1977 (forthcoming); and Office of International Investment, Domestic Investment Services Division, Department of Commerce, October 1975.

TABLE II
ADVISORY CAPACITY FOR ECONOMIC DEVELOPMENT*

STATE	Council of Economic Advisors	Full-Time Economic Advisor	State Science and/or Technology Advisory Council
ALABAMA			X
ALASKA			
ARIZONA	X	X	X
ARKANSAS		X	X
CALIFORNIA	X	X	
COLORADO			X
CONNECTICUT	X	X	X
DELAWARE	X	X	X
FLORIDA	X	X	X
GEORGIA		X	X
HAWAII			X
IDAHO			X
ILLINOIS	X	X	X
INDIANA			X
IOWA		X	X
KANSAS		X	
KENTUCKY	X		X
LOUISIANA			X
MAINE		X	X
MARYLAND	X	X	X
MASSACHUSETTS	X	X	X
MICHIGAN	X	X	X
MINNESOTA	X		X
MISSISSIPPI	X		X
MISSOURI	X		X
MONTANA			X
NEBRASKA	X		X
NEVADA			
NEW HAMPSHIRE			X
NEW JERSEY	X	X	X
NEW MEXICO			X
NEW YORK	X	X	X
NORTH CAROLINA		X	X
NORTH DAKOTA			
OHIO	X		
OKLAHOMA			X
OREGON			X
PENNSYLVANIA	X	X	X
RHODE ISLAND		X	X
SOUTH CAROLINA	X		X
SOUTH DAKOTA			X
TENNESSEE		X	X
TEXAS		X	X
UTAH	X		X
VERMONT	X	X	
VIRGINIA			X
WASHINGTON	X		X
WEST VIRGINIA			
WISCONSIN	X		X
WYOMING			X

*SOURCES: Council of State Governments, *Budgetary Processes in the States*, July 1975; *Book of the States*, 1976-77 (forthcoming); Economic Development Administration, June 1975.

cline in the auto dependency of the American public. A Michigan development official spoke of "the high probability of a permanent drop in automobile production below 10 million units per year." The peak level was 9.7 million units in 1973, but production for 1974 was 7.3 million units.[7]

Michigan's response has been to initiate a series of economic expansion efforts whose objective is diversification of the State's industrial base and stabilization of the State's unemployment. The expansion strategy incorporates tax incentives, assistance to new and expanding industries, and public sector institutional innovations.

In 1975, the Michigan Legislature enacted a single business tax act which consolidated business income and ad valorum taxes. In 1974, the Legislature had reduced the franchise fee, increased the tax credit for property tax paid on inventories, and enabled local units of government to freeze the tax assessment of renovated plants and equipment.

To promote expansion of its present industry and recruit new industry, Michigan has undertaken an aggressive program of marketing and investment promotion both domestically and through its overseas trade offices in Europe and the Far East. A companion program promotes agricultural exports.

To directly support Michigan businessmen, the State has established a Small Business Advisory Council and Pro Business Office which help businessmen with the often confusing array of state regulations and assist them in facing new problems such as the need for energy saving practices. The Office of Minority Business Enterprises gives special assistance to minority managed businesses by providing liaison with state agencies, helping with regulatory processes, and providing information on services available through state government.

The 1974 session of the Michigan Legislature passed the Economic Development Corporation Act which enables local units of government to create a single, nonprofit corporation for their jurisdiction to assemble and develop parcels of land for commercial and industrial development. This act provides a local government with a significant growth management tool assuring public participation in directing community development.

Governor Milliken and the 1975 Legislature approved the Job Development Authority Act which allows the State to make loans, guarantee loans, and issue industrial development revenue bonds to finance industrial facilities. In 1972, Michigan was found to be 49th among the states in providing financial inducements for industry to locate and remain in Michigan. The Governor, in presenting this program, acknowledged an underlying problem of state industrial development efforts, that is that they pit state against state:

> Since Michigan's natural comparative advantage for many businesses has been eroded by the increasing amount of financial assistance offered businesses in other states, establishment of a Michigan Job Development Authority could help our state compete for new businesses on its natural merits.... Enactment of this enabling legislation will provide Michigan communities with ability to compete on more favorable terms with local units in other states which have this flexibility.[8]

If Michigan has lagged behind other states in industrial recruiting, the severity of the mid-1970s economic slump was moving it to the forefront of states in economic development efforts using a program that was a composite of tools being used by high-unemployment states across the Nation.

The Transportation Component (Table III)

If the possibility of a leveling of automobile production in Michigan has profound implications for the State's economic future, it has even more portentous signals for the transportation planning of all the states. For the foreseeable future, the motor vehicle is expected to continue to provide America's primary form of transportation. However, state officials are having to reconsider the extent to which future state transportation dollars will be invested in highway construction as opposed to other modes of transportation.

Since World War II, highway building and maintenance have dominated state interests in transportation. Concern with aviation and railroads was primarily regulatory, while urban mass transportation was regarded as a local responsibility. In the late 1960s and into the 1970s, states began to broaden their view with the realization of the degree to which population was concentrating in urban areas. The financial plight both of railroads and city transit systems was also becoming a public issue. A backlash to the extravagant and land consuming interstate highway system reinforced public pressure for a more comprehensive state involvement in all forms of transportation planning and management. In 1974, the Congress passed the National Mass Transportation Assistance Act which greatly expanded the role of the states in federal mass transportation programs.

The most general manifestation of state response has been the creation of Departments of Transportation which, in various different forms, have consolidated and broadened state transportation responsibilities. Hawaii created the first DOT in 1960, but only six states had followed by 1970. Fifteen states established DOTs between 1970 and 1973 and nine more in 1974 and 1975 for a total of 31 states with

TABLE III
ORGANIZATION AND FUNCTIONS OF STATE DEPARTMENTS OF TRANSPORTATION*

State	Date Created	Type Of Organization	Responsibilities
ARIZONA	1974	Mixed	Aviation, Highways, Mass Transit, Motor Vehicle
CALIFORNIA	1973	Mixed	Aviation, Highways, Mass Transit, Transportation Safety
CONNECTICUT	1969	Mixed	Aviation, Highways, Mass Transit, Railroads, Transportation Safety, Motor Vehicle, Water Transport
DELAWARE	1970	Mixed	Aviation, Highways, Mass Transit, Motor Vehicle
FLORIDA	1967	Mixed	Aviation, Highways, Mass Transit, Railroads, Motor Vehicle, Water Transport
GEORGIA	1972	Modal	Aviation, Highways, Mass Transit, Motor Vehicle
HAWAII	1960	Modal	Aviation, Highways, Water Transport, Transportation Safety
IDAHO	1974	Mixed	Aviation, Highways, Transportation Safety
ILLINOIS	1972	Functional	Highways, Mass Transit, Transportation Safety, Motor Vehicle, Water Transport
IOWA	1974	Mixed	Aviation, Highways, Mass Transit, Railroads, Transportation Safety, Motor Vehicle, Water Transport
KANSAS	1975	Functional	Aviation, Highways, Mass Transit
KENTUCKY	1973	Mixed	Highways, Motor Vehicle
MAINE	1972	Mixed	Aviation, Highways, Railroads
MARYLAND	1971	Modal	Aviation, Highways, Mass Transit, Transportation Safety, Motor Vehicle, Water Transport
MASSACHUSETTS	1971	Mixed	Aviation, Highways, Mass Transit, Water Transport
MICHIGAN	1973	Mixed	Aviation, Highways, Motor Vehicle, Water Transport
MISSOURI	1974	Modal	Aviation, Mass Transit, Railroads, Water Transport
NEW JERSEY	1966	Mixed	Aviation, Highways, Mass Transit, Railroads, Transportation Safety, Motor Vehicle, Water Transport
NEW YORK	1967	Functional	Aviation, Highways, Mass Transit, Railroads, Transportation Safety, Water Transport
NORTH CAROLINA	1971	Modal	Aviation, Highways, Mass Transit, Highway Patrol, Railroads, Transportation Safety, Water Transport, Motor Vehicle
OHIO	1972	Functional	Highways, Aviation, Mass Transit, Railroads
OREGON	1969	Modal	Aviation, Highways, Mass Transit, Water Transport
PENNSYLVANIA	1970	Mixed	Aviation, Highways, Mass Transit, Railroads, Transportation Safety, Water Transport
RHODE ISLAND	1970	Mixed	Aviation, Highways, Mass Transit, Railroads, Water Transport
SOUTH DAKOTA	1973	Mixed	Aviation, Highways
TENNESSEE	1972	Mixed	Aviation, Highways, Mass Transit, Water Transport
TEXAS	1975	Mixed	Highways, Mass Transit
UTAH	1975	Functional	Aviation, Highways, Mass Transit, Railroads, Transportation Safety
VERMONT	1975	Mixed	Aviation, Highways, Mass Transit, Railroads, Transportation Safety, Motor Vehicle
VIRGINIA	1974	Mixed	Highways, Mass Transit
WISCONSIN	1967	Mixed	Aviation, Highways, Mass Transit

*SOURCE: Data compiled from: Advisory Commission on Intergovernmental Relations, *Toward More Balanced Transportation: New Intergovernmental Proposals* (1974); and CSG survey of state legislation, October 1975.

consolidated agencies. These agencies combine various elements and some are organized by mode—e.g., highway aeronautics, rail, etc.,—some by function—e.g., administration, regulation, construction, etc.,—and some by a mixture of mode and function. The present strength of state DOTs lies in their multimodal planning capacity. Because of earmarked funding and the residual functions of boards and commissions, many transportation agency heads lack full policy and budgetary control.

Rail Abandonment

The discontinuation of unprofitable rail routes and abandonment of trackage has been a serious concern of states trying to maintain the infrastructure needed in rural areas and smaller cities to maintain industrial and agri-business operations. The decline in used trackage has become general across the country and a federal rail plan will make substantially further cuts. Several states have reacted by purchasing rail lines and leasing them to operators, or taking other steps to prevent further abandonment following the lead of Vermont, which since the early 1960s, has purchased 40 percent of the operational trackage in the State including a $3.5 million acquisition in 1974. In 1974, Iowa appropriated $3 million to upgrade branch lines and $300,000 for the study of state rail and mass transit system; New Hampshire's Legislature authorized state purchase of rail properties; New York voters approved a $210 million rail preservation bond. The Indiana Legislature in 1975 appropriated $1 million to acquire trackage and maintain service.

In July 1975, five of the six New England governors united in proposing draft federal legislation that would permit rail companies to transfer their fixed property, such as trackage, stations, and yards, to the U.S. Department of Transportation in return for long term leases to use the properties. The rehabilitation and maintenance of these rail properties would become a public responsibility and thus a subsidy for rail operations.

ENERGY

Haves and Have Nots

The 1973 oil embargo and the energy shortages and price escalation that resulted from it disrupted state economies in ways that differed as states differ in energy dependency and energy production potential. For all the states and their governments, the energy situation has altered prospects and expectations with as yet unforeseeable consequences. "The people of the region recognize that their life styles will change as the entire nation changes its energy use patterns," comments a publication of the Federation of Rocky Mountain States.[9]

Within the Rocky Mountain region the largely untouched coal deposits of Colorado, Wyoming, Utah, Montana, New Mexico, and North Dakota are estimated to be 40 percent of the Nation's total reserve. Hundreds of billions of barrels of crude oil lie locked in the shale of Colorado, Wyoming, and Utah. Uranium, natural gas, and geothermal potential add to the riches of the region, which the Federation paper calls "the new frontier of social and technological development," but goes on to caution:

> However, large-scale, uncoordinated development of these energy resources is not desirable. . . . [The people of the region] want to protect their physical environment and to receive "even-handed" treatment in the proportion of the nation's energy needs that they and the region are called upon to contribute.[10]

For New England, heavily dependent on imported petroleum, the difficulties are severe and long range.

> New England bears a disproportionate share of problems resulting from the nation's energy crisis. . . . The cost of a barrel of oil, rising 300% from $4.04 in May 1973 to $12.50 in February 1974, has resulted in a $2.5 billion cost to New England's economy. Because of the high cost, industries have already begun moving out of the region.[11]

Whether energy rich or energy poor, the great majority of states have endorsed energy conservation as an imperative. "Clearly, conservation is mandatory," say state officials of coal rich Kentucky.[12]

Energy Program Structure (Table IV)

Following the oil embargo, the Federal government ordered a 10 percent cutback in gasoline distribution throughout the country and made grants to states to set up fuel allocation offices. Distribution imbalances occurred. In January and February 1974, 20 states adopted gasoline sales plans which in one way or another restricted purchases. The situation also promoted many states to institute energy data collection programs to monitor supplies and their hanling. The groundwork was being laid for more permanent state energy planning activities.[13]

During the period from September 1973 to July 1974, 23 states enacted legislation intended to relieve energy crisis pressures. These ranged from emergency powers for governors to the creation of new state agencies with broad energy problems solving responsibilities. Emergency powers included, variously, regulation of production, distribution, use, and conservation. The latter often covering the days and hours of operation of commercial and industrial establishments.

TABLE IV
ACTIVITIES OF KEY STATE ENERGY AGENCIES *

State	Name of Office	Location	Activities										Others
			1	2	3	4	5	6	7	8	9	10	
Alabama	Alabama Energy Mgmt. Board	Development Office	X	X		X				X	X		
Alaska	Alaska Energy Office	Office of the Governor	X	X		X	X		X	X	X	X	
Arizona	Arizona Corporation Commission		X		X	X	X	X		X	X		
Arkansas	Arkansas Energy Office	Commerce Department	X	X		X	X	X	X	X	X	X	
California	Government Affairs Office	Energy Resources Conserv. & Development Comm.	X	X	X	X	X		X	X	X	X	
Colorado	Energy Policy Council	Governor's Office	X			X	X			X			Policy advice to Governor
Connecticut	Dept. of Planning & Energy Pol.		X	X		X	X		X	X	X	X	Coordinate energy with other physical planning
Delaware	Natural Resources & Env. Cont.	Office of the Secretary	X	X	X	X	X		X		X		
Florida	State Energy Office	Dept. of Administration	X	X		X	X				X	X	
Georgia	State Energy Office	Office of the Governor	X	X		X	X		X	X	X	X	
Hawaii	Energy Mgmt. & Conserv. Office	Dept. of Planning & Economic Dev.	X	X	X	X	X	X	X	X	X	X	
Idaho	Division of Energy	Public Utilities Comm.	X			X	X			X	X	X	
Illinois	Division of Energy	Business & Econo. Dev.	X	X		X	X		X	X	X	X	
Indiana	Energy Office	Department of Commerce	X	X		X	X		X	X	X	X	
Iowa	Energy Policy Council		X	X		X	X		X	X	X	X	
Kansas	Kansas Energy Office	Office of the Governor	X	X		X				X	X	X	
Kentucky	Department of Energy		X	X	X	X	X	X		X	X	X	Resources Development
Louisiana	Natural Resources & Energy	Department of Conserv.	X	X		X			X		X	X	
Maine	Energy Policy Office	Executive Department	X	X		X				X	X	X	
Maryland	Administrative Division	Public Service Comm.	X	X	X		X			X			Public Information and education
Massachusetts	Energy Policy Office		X	X		X	X		X	X	X	X	Offshore oil development
Michigan	Public Service Commission	Dept. of Commerce	X	X			X						
Minnesota	Minnesota Energy Agency		X	X		X	X			X	X	X	Certifying need for facilities

See footnote at end of table. (Table continued on next page)

TABLE IV—CONTINUED

State	Name of Office	Location	Activities										Others
			1	2	3	4	5	6	7	8	9	10	
Mississippi	Fuel & Energy Mgmt. Comm.		X	X		X	X	X	X	X	X	X	Policy Advice to Governor
Missouri	Missouri Energy Agency	Dept. of Natural Res.		X	X	X	X		X	X	X	X	Fuel Allocation Public Information
Montana	Energy Advisory Council	Lt. Governor's Office		X	X	X	X			X	X	X	Comprehensive growth and energy policies
Nebraska	Energy Office	Dept. of Revenue	X	X		X	X	X	X	X	X	X	
Nevada	Energy Res. Advisory Board		X			X	X	X		X	X	X	Policy Recommendations
New Hampshire	Governor's Council on Energy		X	X		X			X		X	X	
New Jersey	State Energy Office	Dept. of Pub. Utilities	X	X		X	X			X	X		Advice to Governor's Committee
New Mexico	Energy Resources Board		X	X	X	X	X		X	X	X	X	
New York	Emergency Fuel Office	Executive Dept.	X	X		X	X	X		X	X	X	Interagency Coordination
North Carolina	Energy Division	Dept. of Military & Veterans Affairs	X	X		X	X		X	X	X	X	Staff support to Energy Policy Council
North Dakota	Office of Energy Management		X	X		X	X		X	X	X	X	
Ohio	Energy & Res. Development Agency		X	X	X	X	X		X	X	X	X	Grants for energy resource demonstrations
Oklahoma	Department of Energy		X	X		X	X		X	X	X	X	
Oregon	Department of Energy	Director's Office	X		X	X	X	X	X	X	X	X	
Pennsylvania	Governor's Energy Council		X	X	X	X	X	X	X	X	X	X	Solar energy development
Rhode Island	State Energy Office	Executive Department	X	X		X	X		X	X	X	X	
South Carolina	Energy Management Office	Office of the Governor	X	X	X	X	X	X	X	X	X	X	Utility rate structures OCS development
South Dakota	Office of Energy Policy		X	X		X	X			X	X	X	Policy advice
Tennessee	Tennessee Energy Office	Executive Department	X	X		X	X		X	X	X	X	Energy education
Texas	Gov.'s Energy Advisory Council		X	X		X	X			X	X	X	
Utah	State Energy Coordinator	Dept. of Nat. Resources	X	X		X	X			X			Energy Resource Development
Vermont	Vermont State Energy Office	Dept. of Administration	X	X		X	X		X	X	X	X	

See footnote at end of table. (Table continued on next page)

TABLE IV—CONTINUED

State	Name of Office	Location	Activities										Others
			1	2	3	4	5	6	7	8	9	10	
Virginia	Virginia Energy Office		X	X		X	X			X	X	X	
Washington	Washington State Energy Office	Office of the Governor	X	X		X	X	X	X	X	X	X	Implementation of Federal Programs
West Virginia	Fuel & Energy Office	Federal State Relations Governor's Office	X	X		X	X	X		X	X		
Wisconsin	Public Service Commission		X		X	X	X			X	X	X	Regulation of Public Utilities
Wyoming	Mineral Development Division	Dept. of Economic Planning & Development	X	X		X	X			X	X	X	

* SOURCE: Council of State Governments survey of state energy agencies. November 1975.
In some states, energy-related activities are performed or shared with other agencies.

CODE:
1. Emergency planning
2. Resource allocation
3. Power plant siting
4. Conservation planning
5. Recommending legislation
6. Consumer advocacy
7. Research and development
8. Interdepartmental cooperation
9. General data collection
10. Forecasting needs

The five state agencies that were created were given a wide range of duties including collection and analysis of information, development of long range forecasts, contingency allocation planning, and statewide conservation planning. In addition, by mid-1975 eight states had added energy divisions to existing agencies, 23 had institutionalized their original energy allocation offices into planning offices, and eight had created energy councils.[14]

Illustrative of a state energy function is that of the Minnesota Energy Agency. Public utilities and major producers are required to supply the agency with five-, ten-, and 20-year forecasts of demand, and the facilities needed to meet this demand. The energy agency is charged with evaluating these projections as they relate to population and economic growth, land use and development trends, and transportation capacity. The agency must prepare a biennial report for the Legislature assessing resource availability, sources, and possible economic and environmental impacts.

Research and Development (Table V)

The pursuit of longer range answers to energy problems has led to the creation of state research and development programs. Eighteen states allocated over $65 million to research and development in 1975. These programs in producing states tend to focus on increasing production and new utilization methods for existing resources while in energy dependent states they are often directed to new and alternative sources of energy.

Kentucky has undertaken a $57.7 million ten-year energy resource utilization program including $50 million to provide seed money for pilot projects for the conversion of coal into synthetic fuels through gasification and liquefaction. The objective is to produce clean domestic fuels and stimulate a potential multimillion dollar business for the State.[15]

The potential of solar and geothermal energy is being investigated in research centers in New Mexico, Colorado, Florida, Arizona, and Hawaii. Illinois is developing energy related environmental monitoring techniques and studying energy transportation methodology.[16] A study in Vermont is exploring the use of wood for electrical generation using the technique of whole tree harvesting. An initial report concludes that all the electricity needs of the State could be met through harvesting of culls—trees unsuitable for saw logs.

To meet planning and research needs, many states are developing information management systems. Twenty-four states have reported that they are using some type of computerized energy models enabling them to run alternative scenarios for assessing the potential impact of energy policy options.[17]

Conservation Efforts

For most state governments, conservation programs are regarded as essential means of dealing with their immediate energy problems of shortage and cost. These programs typically include such measures as reduction of heating and cooling levels in state office buildings and institutions, reduction of interior and exterior lighting levels and replacement of official motor vehicles with compact models.

TABLE V
STATE-FUNDED ENGERGY RESEARCH ACTIVITIES*

State	Research Concerns
ALASKA	geothermal, pipeline
ARIZONA	solar, geothermal, growth
ARKANSAS	coal
CALIFORNIA	siting, nuclear, other[1]
COLORADO	general[1]
FLORIDA	economics
HAWAII	geothermal
ILLINOIS	coal, alternate sources
IOWA	coal
KENTUCKY	coal
MAINE	siting, solar
MARYLAND	siting, nuclear
MICHIGAN	economics
MISSOURI	alternate sources, coal, petroleum
MONTANA	coal, environment, nuclear, siting
NEBRASKA	conservation, alternate sources[1]
NEW JERSEY	wind, solar
NEW MEXICO	solar, nuclear, siting, other[1]
NEW YORK	transportation, nuclear, siting
NORTH CAROLINA	petroleum
NORTH DAKOTA	environment
OHIO	oil shale, coal, conservation
OKLAHOMA	conservation, alternate sources 1
PENNSYLVANIA	coal conservation
UTAH	coal, solar
VERMONT	woodchips
WASHINGTON	geothermal, hydro, conservation
WEST VIRGINIA	coal

[1] Funds not allocated to specific projects.

*SOURCE: Council of State Governments, *State Response to the Energy Crisis* (March 1975); National Governors' Conference, Energy Program, Energy Research for the Governors (1974); Advisory Commission on Intergovernmental Relations, *State Actions 1974: Building on Innovations* (1975). Data compiled October 1975.

The State of Washington has set an objective of a permanent reduction of 15 percent over 1973–1974 levels of energy use by state agencies. Through using compact autos and shuttle buses at lower speed limits, the State achieved a one million gallon reduction in gasoline purchases in 1974. An Energy Information and Conservation Center promotes voluntary energy conservation among citizens through seminars, educational programs, studies, and a newsletter.[18]

Massachusetts seeks long range savings of dollars and energy through modification of existing buildings at its state institutions. Three phases lead to alternation of mechanical and electrical systems: An appraisal of consumption data for all candidate buildings, a survey and analysis of buildings selected for their significant savings potential and, finally, modification of heating, ventiliation, air conditioning, and lighting systems. The estimated pay back periods for the investment in the system changes range from eight months to two years.

Exploiting Energy Resources

The eight Rocky Mountain States of Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, and Utah are, in the words of Colorado Governor Richard Lamm, "in the eye of the energy hurricane." The Governor, chairman of the Federation of Rocky Mountain States, explains:

> The nation is now looking more and more to the West for the solutions to the energy crisis. People loosely suggest that our petroleum crisis can easily be solved by developing oil shale and that the West, with its vast quantities of coal, can furnish a permanent solution to our energy troubles.[19]

The worries of the western states center on suggestions of a giant crash program "to get every barrel of oil and every ton of coal out of the ground as soon as it can," the Governor says. To illustrate the dimensions of the problem, he says that the seven oil shale processing plants currently proposed for Colorado would require mining shale equivalent to 28 times the amount of coal now being mined in his State.[20]

Loss of agricultural land, important to the region's economy, and critically limited water supplies are cited by Governor Lamm as special concerns. The western states are equally worried about boom towns, urbanization, environmental pollution, loss of recreational areas, and the cost of providing public services to new communities.

The governors of the eight states formed the Federation in 1966 as a means of communication and policy development particularly in regard to the Federal government, which is by far the largest landowner in the region, owning 36 percent of Colorado, 44 percent of Arizona, 58 percent of Wyoming, 63 percent of Idaho, 66 percent of Utah, and 86 percent of Nevada. "One of the West's concerns is that energy policy in Washington is not being developed in a calm, thoughtful and unhurried atmosphere, but in response to a crisis," says Governor Lamm.[21]

Barriers to Development

The western governors, upset by pressure for too rapid development from the Federal government, also complain that when federal agency cooperation is needed to facilitate energy resource development, it is not forthcoming. Interagency conflicts, the lack of defined policy, and the failure of coordinating mechanisms frustrate progress. After more than ten years of planning in which the sponsoring companies, local governments, and the State of Utah have cooperated, the massive coal fired electrical generating project on the Kaiparowits Plateau in southern Utah is suspended while awaiting action from Washington, D.C. Governor Rampton blames "restrictive" Department of Interior coal leasing policy and the lack of a defined policy and procedure for transferring public land to private control. Utah officials also blame an unsatisfactory Environmental Impact Statement prepared by the Bureau of Land Management and opposition to the project by the National Park Service. Both are agencies within the Department of the Interior.[22]

Energy Facility Siting

The location of energy processing and generating plants is generally recognized among the states as a critical factor in determining future development and settlement patterns. Over one-half the states have instituted some form of statewide facility siting process that requires review by a central authority of plans for location and construction.

A number of state siting laws require that utilities submit long range demand and construction plans. For example, the new California comprehensive energy planning law establishes an Energy Resources Conservation and Development Commission, which combines facility site approval with needs assessment and forecasting, conservation responsibilities, and emergency planning. All electric utilities must provide the Commission with five-, ten-, and 20-year forecasts of needs, availability and costs based on projected population growth, industrial expansion, and urban development.

In Utah, the Office of the State Planning Coordinator is preparing a "Guide to Decision Making for Siting and Development of Energy Facilities for Use by all Levels of Government Within the State of Utah."

Siting is defined as more than determining physical location: Siting decisions are regarded as including whether or not a proposed development is to be allowed; consideration of alternative locations; and determination of the best means to accommodate development on a selected site. The purpose of the guide is to assist governmental units in the development of an independent capability to analyze the need for consequences of large scale projects. The identification of impacts—the costs and benefits—is to take into account a broad range of social and economic factors as these bear on all segments of the affected population. The guide will also address the identification of unwarranted roadblocks to project implementation and of public service requirements made necessary by large projects.[23]

Of particular public concern in the states is the location of nuclear generating plants. Washington state law creates a "one stop" procedure for nuclear plant siting permits by giving the Thermal Power Plant Site Evaluation Council responsibility for considering plant location in a single, comprehensive process. Vermont's Legislature in its 1975 session assumed veto power over nuclear plant site approvals of the Public Service Board.

Offshore Oil

A 1975 U.S. Supreme Court decision ended the hope of the colonial states on the eastern seacoast that state property ownership extended to the Outer Continental Shelf and its potential oil reserves. In *U.S. vs Maine*, the court denied that colonial charters granting ownership as much as 200 miles offshore were valid as claims, thus confirming federal control of offshore oil exploitation. The states involved appeared less concerned by revenue considerations than by the onshore impact and environmental dangers that drilling might bring to them. The staging of areas for exploration and the construction of landing facilities, and processing plants for oil were seen by coastal state governors as requiring planning and control which they feared would not be adequately managed by the Federal government. The Atlantic coast governors, meeting in January 1975, asked that the Federal government make adequate precautions against oil spills and that provision be made for compensation if spills occurred.

Outer Continental Shelf exploration and exploitation continued to be of comparable concern to the Pacific coast states. Arguing for caution in offshore oil development, Alaska's Governor Jay Hammond has expressed his state's growing concern about the social, economic, and environmental effects of energy development. The Governor told a congressional committee that his state needed more time "to prepare for the statewide impacts which we fully expect will dwarf anything we have experienced to date, including the trans-Alaska pipeline." Governor Hammond said the pipeline "had a high price tag which has put strains on our State and municipal budgets from Prudhoe Bay to Juneau." [24]

Alaska's Pipeline

While the anticipation of troubles ahead bothered states across the Nation, Alaska was experiencing the full force of major energy development. North Slope oil reserves are conservatively estimated at 10 to 15 billion barrels recoverable by present technology. Total U.S. reserves before the discovery were 31 billion barrels.[25] By the end of 1977, if pipeline construction is completed on schedule, 1.2 million barrels a day will be flowing out of Alaska.[26]

The environmental consequences, once considered potentially disastrous, are now thought to be within manageable proportions because of the long debate in Congress and consequent federal and state regulations. However, a rising tide of fatal accidents, prostitution, crime, alcoholism, and divorce is the documented human toll of oil development and pipeline construction. For Alaska's state government, the impact is being felt in severe fiscal problems.[27]

Most of the $900 million the State received from North Slope oil leases in 1969 has already been spent. Part of the revenue went to pay for new schools and other facilities and services needed in the boom communities associated with pipeline construction, but the greater part was absorbed by the rapidly inflating costs of normal state government operations. The State will have to raise $50 million in revenue anticipation bonds to solve its financial problems over the next two years before the pipeline opens and oil royalties begin to flow. The peak pipeline impact is expected in the next two years as 16,000 to 20,000 workers demand increased state services and as the full cumulative consequences of accelerated growth is felt by state institutions.

ENVIRONMENT

Economics and Environment

Governor Calvin Rampton of Utah calls his basic growth policy approach "optimization," the consideration of all the dimensions of development. "We cannot afford to consider only one resource—economics, social benefits, or the environment—on its own. . . . Let us pursue a responsible and deliberate method which takes into consideration all of the various factors associated with the development and utilization of these limited resources." [28]

When Oregon was one of the Nation's ten fastest growing states in the late 1960s and early 1970s, then

Governor Tom McCall urged out of staters to visit, but not to stay. He tried to dampen and control the pace of growth with strict environmental protection and land use laws. Now, with unemployment running above 11 percent in some eastern Oregon communities, Governor Robert Straub calls himself "a governor who welcomes new industry." But he warns that future growth has to be linked to reasonable land use planning in all areas of the State.[29]

Vermont also has a reputation for rigorous development regulation and environmental quality controls. "Vermont's so called anti-business attitude is part of American folklore," says Governor Thomas Salmon. "Expanding the permanent job base here is the top priority of my administration. Our strong environmental laws provide the underpinning for a healthy industrial base."

While economic development became a priority objective of states suffering severe unemployment and fiscal problems, there was generally a pronounced emphasis in development programs on maintaining the quality of the environment and community life. Governor Daniel Evans, reporting to the Legislature on citizen responses to his Alternatives for Washington program, related:

> [T]here were letters from a people who spoke out strongly for a future of moderate and needed economic growth and even more moderate population growth. There is no more of the feeling here in our state that we must be first in population and that we will be best only if we are biggest. They spoke very strongly, overwhelmingly for a top priority of protection of our natural environment and the conservation of our natural resources. . . . But they said at the same time, let's rebuild our cities which too often have decayed and reinvigorate especially our smaller and medium-size communities.[30]

Land Use Planning (Table VI)

In economically beleaguered Michigan, Governor Milliken, in his State of the State message, made passage of a land use bill a priority item for legislative action during the 1975 session. The bill under consideration would create a state land use commission charged with preparing a state land use plan. This plan would be based on county land use plans, but the county plans would be prepared following state policies and guidelines. The State also would designate critical areas and formulate rules for their protection. The problem of developments of state and regional impact would be studied, but the bill does not propose control mechanisms.[31]

Michigan was one of several states considering land use legislation that would require counties or other local units of government to adopt plans meeting standards set by the State. Florida, Idaho, Wyoming, Nebraska, and Virginia passed such laws in 1975 as did Nevada in 1973, joining Oregon which pioneered such legislation in 1969. A similar measure was passed by the Utah Legislature in 1974 but later defeated in a state referendum. The Iowa House passed a bill in both 1974 and 1975, but both were rejected by the Senate.

Montana has taken a unique avenue to land use management through a bill adopted in 1975 that requires land classification as the basis of land use taxation. Under the act, local governments must classify lands in broad categories such as residential, commercial, and industrial. Tax rates will be set for each classification. To gain the best tax rate, property must be used according to its classification.

Hawaii, Florida, Maine, Vermont, and the Adirondack Park area of New York, which makes up one-third of the State's land area, have comprehensive land use regulation systems which require all delopment projects above a minimum size to have state permits. Hawaii's state management system dates from the early 1960s and was modified by the 1975 Legislature to define more clearly and restrict the discretionary powers of the Land Use Commission. Florida, Maine, and Vermont permit procedures, which are based on criteria rather than zones, were adopted in the early 1970s. A proposed land use plan which would have added a locational dimension to Vermont's law was not acted upon by the 1974 and 1975 sessions of the Legislature. The Adirondack process, modeled after the Vermont law, was in its first years of full application in 1974 and 1975 and was the subject of opposition that included scattered acts of violence.[32]

Land Use Control Alternatives

The lead of the states with development permit procedures was not being followed by any other states in the mid-1970s. While there were the several that were following Oregon to adopt mandatory local planning within a state policy framework, the majority of states taking action in the land use arena were using incremental measures. Wetlands protection laws were in force in 20 states; flood-plains management in 24, including Nebraska which acted in 1975; 34 states had some form of regulation or guidelines for power generation facilities siting; and five states had adopted inland shoreline protection legislation. Thirteen states had initiated programs in critical areas designation aimed at identifying areas that for ecological, recreational, or significant resource reasons warranted protection and areas that should be reserved for development for public purposes such as air and land mass transit terminals.

TABLE VI
STATE LAND USE PROGRAMS

State	Type of State Program: Comprehensive Permit System [1]	Coordinated Incremental [2]	Mandatory Local Planning [3]	Coastal Zone Management [4]	Wetlands Management [5]	Power Plant Siting [6]	Surface Mining [7]	Designation of Critical Areas [8]	Differential Assessment Laws [9]	Floodplain Management [10]	Statewide Shorelands Act [11]
Alabama				X		X	A			X	
Alaska		X		X		X			B		
Arizona		X				X			A	X	
Arkansas						X	A, B		A	X	
California		X		X		X	X		C	X	
Colorado						X	X	X	A	X	
Connecticut		X		X	X	X			B	X	
Delaware		X		X	X				A		X
Florida	X	X	X	X	X	X	A	X	A, C		
Georgia		X		X	X		A, B				
Hawaii	X	X		X		X	X	X	B	X	
Idaho			X				X		A		
Illinois				X		X	A, B		B	X	
Indiana		X		X			A, B		A	X	
Iowa							A, B		A	X	
Kansas							A, B				
Kentucky						X	A, B		B		
Louisiana				X	X						
Maine	X	X	X (LTD)	X	X	X	A	X	B	X	
Maryland		X		X	X	X	A, B	X	B	X	
Massachusetts				X	X	X			B		
Michigan				X			X		C	X	X
Minnesota		X		X	X	X	X	X	B	X	X
Mississippi				X	X					X	
Missouri					X	X	X		A	X	
Montana		X	X			X	A, B	X	B	X	X
Nebraska			X			X			B	X	
Nevada		X	X			X		X	B		
New Hampshire				X	X	X			B, C		
New Jersey				X	X	X			B	X	
New Mexico		X				X	A		A		

See footnote at end of table. (Table continued on next page)

TABLE VI—CONTINUED

State	Type of State Program: Comprehensive Permit System [1]	Coordinated Incremental [2]	Mandatory Local Planning [3]	Coastal Zone Management [4]	Wetlands Management [5]	Power Plant Siting [6]	Surface Mining [7]	Designation of Critical Areas [8]	Differential Assessment Laws [9]	Floodplain Management [10]	Statewide Shorelands Act [11]
New York	X	X		X	X	X	X	X	B	X	
North Carolina		X		X	X		X		B	X	
North Dakota						X	A		A		
Ohio				X		X	A		B		
Oklahoma							X		A	X	
Oregon		X	X	X		X	A	X	B		
Pennsylvania				X	X	X	A	X	B		
Rhode Island		X		X	X	X			B		
South Carolina				X		X	A		B		
South Dakota							A	X	A		
Tennessee						X	A, B				
Texas				X	X		X		B		
Utah		X					A		B		
Vermont	X	X			X	X	X		C	X	
Virginia			X	X	X		A, B		B		
Washington		X		X	X	X	A		B	X	X
West Virginia							A, B			X	
Wisconsin		X		X	X	X	X	X		X	
Wyoming		X	X			X	A		A		

[1] State has authority to require permits for certain types of development.
[2] State-established mechanism to coordinate state land use-related problems.
[3] State requires local governments to establish a mechanism for land use planning (e.g., zoning, comprehensive plan, planning commission).
[4] State is participating in the federally funded coastal zone management program authorized by the Coastal Zone Management Act of 1972.
[5] State has authority to plan or review local plans or the ability to control land use in the wetlands.
[6] State has authority to determine the siting of power plants and related facilities.
[7] State has statutory authority to regulate surface mines. (A) State has adopted rules and regulations; (B) State has issued technical guidelines.
[8] State has established rules, or is in the process of establishing rules, regulations, and guidelines for the identification and designation of areas of critical state concern (e.g., environmentally fragile areas, areas of historical significance.
[9] State has adopted tax measure which is designed to give property tax relief to owners of agricultural or open space lands. (A) Preferential Assessment Program—Assessment of eligible land is based upon a selected formula, which is usually use-value. (B) Deferred Taxation—Assessments of eligible land is based upon a selected formula, which is usually use-value and provides for a sanction, usually the payment of back taxes, if the land is converted to a non-eligible use. (C) Restrictive Agreements—Eligible land is assessed at its use-value, a requirement that the owner sign a contract, and a sanction, usually the payment of back taxes if the owner violates the terms of the agreement.
[10] State has legislation authorizing the regulation of floodplains.
[11] State has legislation authorizing the regulation of shorelands of significant bodies of water.

· SOURCE: *Prepared by the Council of State Governments*, based on information collected by the Council of State Governments, *Land Use Planning Reports 1974 and 1975*; and the U.S. *Department of the Interior, Office of Land Use and Water Planning*; and the Resource Land Investigations Program. Data compiled October 1975.

In 1972, Congress passed the Coastal Zone Management Act which authorized grants to eligible states to prepare programs for the beneficial use and protection of the lands and waters of the coastal zone. All 30 states with Pacific, Atlantic, and Great Lakes shorelines are participating in the program.

Land use planning is occurring in all 50 states. All have local zoning and enabling acts delegating various degrees of responsibility to municipalities, counties, and regional planning councils. Most provide funding or technical assistance to supplement federal funding for local planning under Section 701 of the Housing and Urban Development Act of 1974 which requires funding recipients to develop a land use planning program by the summer of 1977. All have some form of state level agency, program, or control mechanism dealing with some land use activity, although few states can demonstrate either a statewide land use management program or a coordination process that approaches comprehensiveness. Land use planning is by and large a fragmented assortment of functions carried on at several levels of government with little interagency or intergovernmental coordination.

Air and Water Quality

Like highways, sewage treatment systems are a very significant determinant of the location of growth. Like highway planning, sewage treatment system planning rarely is integrated with overall state land use and development planning. Governor Thomas Salmon of Vermont took the occasion of his keynote address at a November 1975 regional water purification conference of the U.S. Environmental Protection Agency to criticize the Federal government's $18 billion crash water pollution control program for pitting environmental engineers, intent on cleaning state waterways at any cost, with land use and community development planners who fear that the program will saddle communities with construction obligations that will force them to invite unplanned growth to support their sewer systems. The Governor revealed that his planners had caused a dispute in his administration by suggesting that since sewage plants encourage growth, highest priority for construction should be placed where growth is most desired.[33]

In 1975, the Environmental Protection Agency (EPA) moved into serious implementation of Section 208 of the Federal Water Pollution Amendments of 1972 which created a major planning program for areawide waste water treatment management planning. The purpose of the program is to identify and plan for areas of multimunicipal scope with substantial water quality problems requiring regional solutions. Through a federal interagency agreement, the land use aspects of the planning are to be coordinated with HUD 701 planning. Plans must be finally approved by governors. States may designate substate planning areas or assume responsibility for statewide planning. By mid-1975, 37 states had received EPA approval for substate designations.

Air quality regulations have as profound a potential influence on growth patterns as water pollution controls because fully, implemented, they would discourage if not prohibit high concentrations of industry, automobiles, and housing. Under the Air Quality Act of 1967, authority to set pollution standards and enforcement and administration led to extensive amendments in 1970 which broadened the regulatory authority of the Federal government. Since 1970, a complex and confusing situation has developed, illustrated by the fact that 20 states had EPA approved implementation plans in 1973, but in 1975 many portions of approved plans had been revoked or nullified as a result of court actions. The most recent court decision in October 1975 ruled that EPA violated state sovereignty by ordering the District of Columbia, Maryland, and Virginia to require inspection and maintenance of emission control devices on vehicles. The U.S. Court of Appeals ordered EPA to draw up new antipollution traffic plans with participation of state and local officials. In essence, the decision said that in the control of ambient air quality, the Federal government could offer the power to the states to regulate, could institute regulations itself, but could not force the states to regulate.[34]

Environmental Agencies (Table VII)

The explosion of environmental activity in state government in the late 1960s and early 1970s caused states to create new agencies and reorganize their existing state structures. Two different patterns of organization emerged. Twelve states created pollution control agencies with a specific mission to promulgate and enforce environmental quality standards. Fifteen states created more broad-based agencies combining pollution control with natural resource management functions. Most of these reorganizations removed air and water quality responsibility from state health departments although in 16 states consolidated pollution functions remain lodged with public health.

Institutional change continued into the mid-1970s period with Missouri creating a broad based environmental agency and South Carolina reorganizing its activities into a Department of Health and Environmental Control in 1974. In 1975, Massachusetts completed the final phase of its environmental reorganization which now places the umbrella of its Executive

TABLE VII
ORGANIZATIONAL MODELS OF STATE ENVIRONMENTAL PROGRAMS*

1. *Health Departments (16 States)*		
Alabama	Indiana	North Dakota
Arizona	Kansas	Oklahoma
Colorado	Maryland	Rhode Island
Hawaii	Montana	South Carolina
Idaho	Nevada	Tennessee
		Utah
2. *Partially Consolidated or Unconsolidated Agencies (7 States)*		
California (a)	Texas	
Louisiana	Virginia	
Mississippi	West Virginia	
New Hampshire		
3. *Little EPA's (12 States)*		
Arkansas	Maine	Ohio
Florida	Minnesota	Oregon
Illinois	Nebraska	South Dakota
Iowa	New Mexico	Wyoming
4. *Super Agencies (15 States)*		
Alaska (b)	Massachusetts (e)	North Carolina (f)
Connecticut (c)	Michigan (c)	Pennsylvania (g)
Delaware (c)	Missouri (d)	Vermont (d)
Georgia (c)	New Jersey (c)	Washington (b)
Kentucky (d)	New York (c)	Wisconsin (c)

a. Air, water, and solid waste management are loosely confederated.
b. Includes coastal zone and/or critical areas management.
c. Includes conservation programs and coastal zone and/or critical areas management.
d. Includes conservation programs.
e. The Executive Office of Environmental Affairs provides a policy and budget umbrella over the environmental programs, conservation programs, coastal zone management, agriculture, law enforcement planning, and other miscellaneous programs.
f. Includes conservation programs, coastal and/or critical areas management, industrial development, community assistance, law enforcement planning, and other miscellaneous programs, does not include solid waste management.
g. Includes forestry, parks, and recreation programs.

*SOURCE: Council of State Governments, *Integrating and Coordinating State Environmental Programs*, (September, 1975).

Office of Environmental Affairs over all pollution control, agriculture, water resource, conservation and coastal zone management programs. Also in 1975, Florida strengthened its environmental quality agency by consolidating previously separated water resource programs, including dredge and fill, with all other pollution control functions in a new Department of Environmental Regulation. The 1975 California Legislature defeated a proposal for a reorganized environmental agency.

State implementation of environmental quality programs in air, water, and solid waste provides a powerful tool to influence the location and rate of community development. The authority to set quality standards and to implement regulatory and management programs is shared among federal, state, and local levels of government. Control over solid waste management lies mainly with local health departments, though more states are providing technical and financial assistance and regulation of solid waste delivery systems. Though the Federal government sets minimum standards in certain areas of air and water quality, an increasing number of states set standards which exceed federal ones or regulate other pollution areas, such as stream sedimentation standards, not covered by federal law. States have considerable discretionary power in developing and administering programs to achieve and maintain air and water quality standards. The standards and the flexibility with which the programs are administered can significantly affect the scale and distribution of growth which can be accommodated within program standards, as well as the design and infrastructure requirements of community development projects.

COMMUNITY DEVELOPMENT

The Local Level

States act directly to meet their growth management problems and they delegate responsibility to local units of government. Whereas in land use the appropriate division of responsibility in a matter of dispute between levels of every state, the area of community development is one where a growing recognition of interdependency exists not only between state and local governments, but also between state and local units and the Federal government.

National economic and demographic trends create varied growth patterns which create different pressures. The recent slowing of central city decline and the evidence of growth in nometropolitan areas will affect community development program design. The pressures of rapid growth assocated with energy resource development raise the problem of developing the front end capital and local capacity for community development. The economic decline of certain urban areas creates problems of attracting a tax base sufficient to support a population which continues to grow. For other areas the problem is not rapid or declining growth, but a steady growth and settlement patterns which hamper the efficient and effective use of land and delivery of services.

A renewed awareness of the state's role in community development and growth, and the interest of many states in growth management, highlight the mutually supportive relationship which potentially exists between community development and state government. States are the repository of land use and capital improvements tools, and are the governmental unit able to create a comprehensive planning framework to link the varied participants and programs into a coordinated community development process. A state cannot influence national economic trends which significantly affect its economic well being, but it can use its police powers to optimize the benefits or minimize the negative impacts of those trends.

Capital Investment Planning

The magnitude and distribution of public and private capital investments is a major determinant in the kind, quality, and location of community infrastructure and is thus a major influence on employment opportunity and population distribution patterns and on land use. Many state and local governments attempt to use public capital investment management as a means to cope with growth.

Though the federal role in setting criteria and in funding community development programs is highly visible, the states play a critical role in the allocation of federal funds. States develop priority lists for sewer and wastewater treatment facilities construction grants from the U.S. Environmental Protection Agency (EPA). State priority lists for capital improvements affect the allocation of grants from the Departments of Transportation (DOT) and Health, Education and Welfare (HEW). Areas which receive a high priority and thus receive federal and state grants for improved public infrastructure are prime candidates for continued growth whether or not such growth is intended or welcomed.

Water supply is an aspect of environmental management which gives the states leverage over community development and general growth patterns. In many of the western states, state agencies oversee the allocation of water rights among the competing demands of agriculture, industry, and community use. The allocation of water rights, particularly where supply is limited, is increasingly being seen as a policy tool for state government. In Montana, for instance, 1975 legislation forbids the transfer of agricultural water to any other use.

Adequate and well planned public facilities—water and sewer facilities, roads, and streets, and schools—are important components of sound patterns of community development. The efforts of Ramapo, New York, and Petaluma, California to link the community's growth to planned capital facilities expansion have been upheld by the courts. Yet many states have regions in which growth pressures have resulted in state or locally mandated moratoria on community expansion. New Jersey, Maryland, Massachusetts, Wyoming, Ohio, and Virginia are states where numerous moratoria on sewer extensions have been imposed for public health reasons.

In Maryland, the State has linked community growth with public facilities by requiring that building permits and subdivision plans be consistent with community plans to provide adequate water and sewer facilities. The legislation effectively prohibits either state or local authorities from granting permits or approving plans unless utility systems conform to county plans. Montana adopted regulations in 1974 which require developers of subdivisions to provide county commissioners with detailed information on the additional public services required by a project and on the manner in which the costs of services will be distributed.

Limiting Growth

While states are including capital improvement planning and budgeting as a tool for more effective and efficient growth management at the state and local levels, many local governments are using their control over public works as a means to stop or slow growth. Rhode Island adopted a population ceiling in its "Limiting Growth." The increasing number of local governments adopting ordinances or capital improvement plans designed to limit growth, coupled with the decisions of courts in several states including New Jersey, Massachusetts, and California in support of fair share housing and equal educational opportunity, increase the prospect that community development will no longer be widely viewed as uniquely a local responsibility.

School facilities are a major factor in individual decisions to locate in one community relative to others. Financing school construction and programs is also the major local government expense in many states. Unlike the capital investment in utilities and streets, the responsibility for schools cannot be shifted to the developer, and the issue has been a stumbling block for large scale community developments in several states.

In contrast, housing supply is primarily a private sector activity, but state housing finance programs to expand the available housing for low and moderate income families may have both negative and beneficial impacts on community development patterns. Large scale community developments which offer a range of housing types may be an asset in attracting economic growth to an area, yet the social characteristics and financial costs associated with subsidized and multi-family housing frequently arouse the opposition of local citizens who respond with exclusionary zoning.

Financing Community Development

Local governments' problems in accommodating new growth pressures and in discouraging community decline are as much a matter of financing as they are an ability to develop plans and programs. The forces contributing to community growth or to community decline are regional or national in scope; yet most communities have a fixed economic base from which revenues are generated and a constitutionally or statutorily set debt ceiling. Local governments have often responded to these constraints by creating special financing districts—a trend which has led to the fragmentation of local government accountability in many areas.

Several states are responding to this financing dilemma through direct or indirect financing programs. The state's assumption of a greater share of public facilities' costs through a "buy in" to federal grants can relieve the capital burden of communities. Thirty-two states have "buy in" provisions to various federal grant programs, while 21 states have state funded revenue sharing. Vermont, Maine, and Alaska attempt to improve the credit ratings of municipal bonds and thus reduce interest rates by channeling local issues through a state level municipal bond bank.

Significant state action during 1974–1975 to assist communities in financing community development was legislation to expand the powers of communities to finance development and redevelopment projects. Washington and Colorado followed the example set earlier by Ohio and California by authorizing local tax increment financing of urban redevelopment. More common was state legislation broadening the authority of local public agencies to issue revenue bonds. Colorado in 1975 expanded the activities eligible for local revenue bond financing to include low and middle income housing, utilities, recreation facilities, airports, and mass transit facilities.

New legislation in California permits all cities and counties to issue revenue bonds for rehabilitation programs. Illinois adopted legislation in 1975 to permit municipalities to issue revenue bonds for commercial redevelopment projects, while recent laws in Connecticut and Michigan give local governments sweeping financing powers to renovate center cities and attract industry through revenue bonds, special taxes, and tax concessions. New Jersey has an active loan program within the Department of Community Affairs for neighborhood preservation, and a similar program was proposed in Texas.

Planned Community Development

The new community concept is the most comprehensive approach to community development. Title VII of the Housing and Urban Development Act of 1970 launched the Federal government in broad scale support of large scale new town construction. Substantial program support for new communities was envisioned by Congress to assist private developers and to encourage the active participation of state and local governments and public development corporations. However, the limited funding committed under Title VII has severely hampered private new community projects and has discouraged state initiatives to participate in the programs.

States have developed policy and program support for large scale, planned communities through imaginative implementation of existing powers and programs. New York's Urban Development Corporation has demonstrated this creativity with its development of three new towns: Roosevelt Island, NYC; Audubon, near Buffalo; and Raddison, near Syracuse. Several states have adopted legislation defining the state's relationship to new community development. Eight states, including New York in 1968, have adopted new communities legislation: Kentucky in 1970; Ohio in 1972; Louisiana in 1974; Georgia in 1974; Tennessee in 1974; Arizona in 1974; and Florida in 1975. In Arizona, Tennessee, Kentucky, and Florida, the major emphasis of the policy is to provide state administrative oversight to safeguard the public interest which is impacted by private efforts to develop new communities. Policies in Georgia, New York, Ohio, and Louisiana make provisions for the expenditure of public funds in support of new communities meeting specific criteria. In most of the states with formal new community policies, little or no action has been undertaken to activate the provision of enabling legislation. Only in New York, Ohio, and Louisiana have the powers authorized by state policy been substantially implemented.

Land—its assembly, cost, and zoning—is a key component of large scale development. The growing state initiatives in regulation of land use and environmental affairs affects the community development process significantly enough to constitute a *de facto* state policy for new community development. The consequences of the varied state activities in this field are both a curse and a blessing to developers of large scale communities. New communities are susceptible to the growing range of state and local activities to influence the use of land and natural resources due to the scale and comprehensiveness of their development. More than a power plant or an industrial facility, balanced new communities touch on the full range of local and state police powers to protect the general welfare: land, air, water, solid waste, public safety, and public utilities.

Energy Development Towns

Social, economic, and environmental problems with boom towns associated with large energy resource projects in remote areas has led many of the energy rich states to take positive steps, often in cooperation with industry, to develop liveable communities for project workers. In Utah, for example, the 1975 session of the Legislature adopted a package of bills to facilitate energy development projects with emphasis on the planned new communities that Utah regards as essential elements of such projects. The package is designed to promote cooperation between private developers and public officials and to alleviate the costs of rapid growth for small existing communities.

The Resource Development Act enables the prepayment of the state's four percent sales and use tax by a developer into an account from which the state can draw to finance public improvements, such as highways, needed to initiate project development. The Special Service District Act allows exceptions from municipal bonding limitations through the use of special districts within which the assessed value of all property, regardless of whether it is in town, city, or county, determines the bonding limit. This provision makes it possible to include the value of industrial operations beyond municipal boundaries in calculating the ceiling to which municipal debt may go in providing the expanded facilities and services demanded by the new population brought in by the industrial development. Moreover, a special district is permitted a supplementary bonding capability if the bonds are guaranteed by a taxpayer—including a private entity—within the district.

The Building Schoolhouses Act allows school districts to enter into contracts with industrial developers to provide school facilities if the districts cannot otherwise meet growth demands related to new development. A new Lending Program for Municipal Water Districts established a $2 million fund of supplementary construction loans for culinary water systems. A State Housing Finance Agency was created to make mortgage money available at less than market rates to moderate income families.[35]

Housing Finance Programs (Table VIII)

The most rapidly expanding area of state involvement in community development is housing finance. The suspension of federal housing subsidy programs in 1973 brought pressure for state action to meet a rapidly escalating need for housing within the means of low and moderate income families. The 1974 Housing and Community Development Act in Section 8 set aside special housing funds for state housing finance agencies. Nine states created such agencies during 1974–1975, making a total of 39 states with housing finance agencies. In 12 states the authority of the agencies was expanded or initially activated. Two of the more active agencies, the Illinois Housing Development Authority and the Michigan State Housing Development authority, are seeking additional legislation and bond authority to meet the demand for housing and neighborhood facilities.

The rising housing costs and increased interest rates which agencies must offer have reduced the effective subsidy which a state agency can offer through its own programs. Thus many agencies seek to provide a greater subsidy by combining the savings offered by the agency with federal programs offered by the Section 8 leased housing subsidy, the Section 235 subsidy for homeownership, and the rental and homeownership programs of the Farmers Home Administration (FmHA).

Several states have extended the authority of their housing finance agencies beyond housing finance mechanisms. New York's Urban Development Agency has a range of powers to acquire land, including a limited power of eminent domain, and to develop and redevelop housing, industrial, and commercial facilities, and educational, cultural, community, and other civic facilities. The Hawaii Legislature recently gave the Hawaii Housing Authority the authority to do commercial and industrial development and to override local zoning, thus making it one

TABLE VIII
STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES *

State Organization	Date Established	Quasi-Independent Status	Financial and Lending Activity							Development Activity			Administrative Capabilities	
			Loans to Lenders	Mortgage Purchase	Mortgage Loans	Construction Loans	Seed Money	Mortgage Insurance Program [1]	Rent Supplement Program [2]	Land Acquisition [3]	Non-Housing [4]	Rehabilitation Program	Technical Assistance	Statewide Housing Needs Evaluation
Alaska Housing Finance Corporation	1971	No	A	B	B	A	A	A	C	A	C	B	B	B
California Housing Finance Agency	1975	No	A	A	A	A	A	A	C	C	A	A	C	D
Colorado Housing Finance Authority	1973	Yes	B	A	A	B	C	C	C	C	A	B	B	D
Connecticut Housing Finance Authority	1969	Yes	C	B	B	B	A	B	C	A	C	B	A	D
Delaware State Housing Authority	1968	No	A	A	A	B	A	A	C	A	C	A	A	B
Georgia Residential Finance Authority	1974	Yes	A	A	A	A	A	C	C	C	A*	A	A	C
Hawaii Housing Authority	1970	NA	NA	A	A	B	B	A	B	B	A	B	B	NA
Idaho State Housing Agency	1972	Yes	A	A	A	A	A	NA	NA	B	NA	A	A	A
Illinois Housing Development Authority	1967	Yes	B	A	B	B	B	C	C	B	B	B	B	B
Iowa Housing Finance Authority	1975	Yes	A	A	A	C	A	C	A	C	C	A	A	NA
Kentucky Housing Corporation	1972	Yes	C	B	A	A	A	C	C	A	C	A	B	C
Louisiana Office of Housing Finance	1976	No	NA	NA	C	NA	NA	C	C	C	C	A	D	NA
Maine State Housing Authority	1969	Yes	A	B	C	B	A	A	C	A	A	A	B	B
Maryland Community Development Authority	1971	No	A	A	B	B	B	D	C	A	A	A	B	B
Massachusetts Housing Finance Agency	1966	Yes	A	A	B	B	C	A	B	C	B	B	B	B
Michigan State Housing Development Authority	1966	Yes	C	C	B	B	B	C	C	A	B	B	B	D
Minnesota State Housing Finance Agency	1971	Yes	A	A	B	B	A	C	C	C	A	B	B	B
Missouri Housing Development Commission	1969	No	A	A	B	B	A	A	C	C	B	B	B	B
Montana Housing Division	1975	No	A	A	A	A	C	C	C	C	A	A	D	B
Nevada State Housing Division	1975	No	A	A	A	A	C	C	C	C	C	A	A	A
New Hampshire Housing Finance Agency	1975	Yes	A	A	A	A	A	C	C	C	A	A	A	A
New Jersey Housing Finance Agency	1968	Yes	C	C	B	B	B	C	B	A	A	B	B	D
New Jersey Mortgage Finance Agency	1970	Yes	B	A	C	C	C	C	C	C	C	C	C	C
New York Housing Finance Agency	1960	Yes	C	C	B	B	C	C	B	C	B	B	B	A
New York Mortgage Agency	1970	Yes	C	B	C	C	C	C	C	C	C	C	C	C
New York State Urban Development Corporation	1968	Yes	C	B	B	B	B	C	C	B	B	B	B	B

See footnote at end of table. (Table continued on next page)

TABLE VIII—CONTINUED

State Organization	Date Established	Quasi-Independent Status	Financial and Lending Activity							Development Activity			Administrative Capabilities	
			Loans to Lenders	Mortgage Purchase	Mortgage Loans	Construction Loans	Seed Money	Mortgage Insurance Program [1]	Rent Supplement Program [2]	Land Acquisition [3]	Non-Housing [4]	Rehabilitation Program	Technical Assistance	Statewide Housing Needs Evaluation
North Carolina Housing Finance Agency	1974	No	C	A	C	C	C	A	C	C	C	A	A	C
Ohio Housing Development Board	1970	Yes	A	A	A	A	B	A	C	C	A	B	B	D
Oklahoma Housing Finance Agency	1975	Yes	A	A	A	A	A	C	C	NA	C	A	C	C
Oregon State Housing Division	1971	No	A	A	A	A	B	A	D	C	C	A	B	B
Pennsylvania Housing Finance Agency	1972	Yes	C	A	B	B	A	C	C	C	C	B	B	A
Rhode Island Housing and Mortgage Finance Agency	1973	Yes	B	B	B	B	C	B	C	A	B	B	B	D
South Carolina State Housing Authority	1971	Yes	A	A	A	A	C	A	A	C	C	A	B	B
South Dakota Housing Development Authority	1973	Yes	A	B	A	B	A	A	A	A	A	A	B	D
Tennessee Housing Development Agency	1973	Yes	C	B	B	A	A	A	C	A	C	A	B	B
Utah Housing Development Division	1971	No	C	A	C	A	A	C	B	C	A	B	B	B
Vermont Housing Finance Agency	1974	Yes	B	B	C	C	C	C	C	C	C	A	A	B
Virginia Housing Development Authority	1972	Yes	A	B	B	B	B	A	C	A	A	B	B	B
West Virginia Housing Development Fund	1968	Yes	B	A	B	A	A	B	C	B	C	B	B	B
Wisconsin Housing Finance Agency	1971	Yes	C	B	B	B	C	C	C	C	C	A	B	C
Wyoming Community Development Authority	1975	Yes	A	A	C	C	C	A	C	A	A	C	A	D

* SOURCE: Prepared by the Council of State Governments, based on a survey of agency legislation, annual reports, and personnel, October 1975.

[1] Refers to insurance programs, distinct from reserve funds for uninsured loans.

[2] Refers to state-funded rent supplement programs.

[3] Land acquisition refers to the power to acquire land for housing and housing-related projects rather than land acquired through foreclosure. Housing finance agencies in several states (Connecticut, Wyoming, West Virginia, South Dakota, and New York State Urban Development Corporation) have full or limited powers of eminent domain or zoning override, but these have seldom been used.

[4] Refers to commercial and/or community facilities which are ancillary to the housing project. The New York Urban Development Corporation has broader powers for commercial, industrial and community facilities development.

CODE: A—Statutory authority, but not currently implemented
B—Agency presently performing function
C—Lacks authority
D—Function shared with or performed by related state agency
NA—Not available

NOTE: New Mexico created an independent mortgage finance agency in 1975. No information available.

of the most powerful housing finance agencies. The housing agencies in 25 other states have authority to acquire and develop land for housing projects. Agencies in 19 states may participate in nonhousing community development projects which are necessary to the objective of providing housing, but few have done so.

Flexibility in Approach

Unlike federal programs designed for nationwide application, state housing finance agency programs exhibit greater flexibility to state and local conditions. In Maine, West Virginia, Idaho, and South Dakota, the agencies concentrate on rural housing needs. In Georgia, Illinois, and Rhode Island, the statutes or regulations governing the agency specify a balance between urban and rural targets of agency programs. In other states where blight threatens central cities, state agencies are developing special programs to rehabilitate housing or to attract mortgage money to such areas. Illinois Housing Development Authority began a special loan program to complement the State's 1975 anti-redlining law, while Michigan's housing agency has worked with HUD in developing a housing rehabilitation program for Detroit's blighted areas.

The success of housing finance agencies in integrating subsidized and market rate units within the same project may change existing attitudes toward the creation of a subsidized housing stock for low and moderate income families. Such a change may be accelerated by the implications for state "fair share" housing plans of the New Jersey Supreme Court ruling in the Mount Laurel township case. That decision found Mount Laurel's zoning ordinance to be unconstitutional because it was exclusionary. It went further to say that the municipality should take positive action to accommodate its fair share of regional low and moderate income housing needs.

State Housing Programs

Though housing finance agencies are the most visible state housing programs, several states have created programs to provide financial incentives to the private sector to encourage rehabilitation efforts, while others employ the police power to regulate standards.

A new approach to fighting central city blight and alleviating the critical shortage of urban housing is urban homesteading. States and cities are joining with the HUD pilot program to make abandoned units and rehabilitation financing available to individuals. Wilmington, Delaware; Baltimore, Maryland; and Philadelphia, Pennsylvania were the first cities to experiment with urban homesteading; other cities and states have followed their lead. In 1974, Minnesota, Rhode Island, and California enacted enabling legislation for cities to establish and provide funding for these programs, but a similar proposal failed in Pennsylvania in 1973. Dayton, Ohio, developed an urban homesteading program in 1974, and Connecticut in 1975 adopted enabling legislation.

The difficulties which central city residents experience in obtaining private financing for new construction or rehabilitation have prompted several states and cities to enact anti-redlining legislation ahead of congressional efforts. Illinois in 1975 adopted legislation requiring disclosure of mortgage loans, while a similar bill in New York barely failed passage and will be resubmitted in 1976. A task force was created in Massachusetts to examine approaches to the redlining problem, and any legislation will depend upon negotiations between state and lending institution officials. Legislative recommendations are being developed to present to the California Legislature in 1976.

Housing Rehabilitation

The high cost of new housing and the shortage of federal housing programs have prompted several states to adopt various programs to encourage public and private sector programs in housing rehabilitation. Most of the housing finance agencies created in 1974 and 1975 were authorized to make rehabilitation loans, while existing agencies were given new authority or implemented existing authority for rehabilitation loans. Tennessee established a separate Housing Rehabilitation Corporation in 1974, while Utah is one of the few states to earmark part of general revenue sharing for rehabilitation programs in housing and community development. A similar focus on rural rehabilitation programs emerged in Pennsylvania with a program sponsored by the State Department of Agriculture, in conjunction with FmHA rehabilitation programs. Legislatures in Oregon, Maryland, and Massachusetts considered proposals in 1975 to establish revolving funds (Maryland), tax exemptions (Oregon), or variable loan repayment (Massachusetts) to encourage rehabilitation efforts. Several states have enacted tax abatement programs as incentives to encourage rehabilitation efforts by owners or by nonprofit or limited dividend private corporations.

Footnotes

1. AGB Reports, September-October 1975, "The Management of Decline," Kenneth Boulding.
2. Michigan case study for the national growth report, Earl Starnes, November 1975.
3. *Ibid.*
4. *Book of the States*, 1975—76 (draft), Council of State Governments, 1975.

5. *Ibid.*
6. "A Survey of Economic Development Planning in the United States," paper by Joseph A. Kayne, Maryland Department of Economic and Community Development, June 20, 1975.
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12. *Op. cit.*, *Kentucky's Response*.
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19. "Energy Development and the Troubled West," (article) Richard Lamm, New York Times, July 31, 1975.
20. *Ibid.*
21. *Ibid.*
22. *Op. cit.*, "Managing a Growth Explosion."
23. *Ibid.*
24. Louisville Courier Journal, "Alaskans Debate Offshore Oil Development," September 20, 1975.
25. *The Pacific States of America*, Neal Peirce, W. W. Norton and Company, 1972.
26. "Blood, Toil, Tears and Oil," Wintrop Griffin, New York Times Magazine, July 27, 1975.
27. *Ibid.*
28. Address to Annual State Economic Development Council, Salt Lake City, August 20, 1975.
29. The Oregonian, "Straub Stresses Effort Made to Disperse Industry into Eastern Oregon," October 22, 1975.
30. Address to Joint Session, Washington State Legislature, January 13, 1975.
31. *Land Use Planning Reports*, October 27, 1975.
32. "Adirondack Threat," editorial, New York Times, November 5, 1975.
33. Rutland (Vt) Herald, "Salmon Sets Policy on Growth Control," November 1975.
34. Washington Post, "Court Cuts EPA City Pollution Plan," October 29, 1975.
35. *Op. cit.*, "Managing a Growth Explosion."

III. Capacity to Manage

The Management Function

The major growth issues that face state government today cannot be dealt with through precise delegation of program responsibility within the functional organization of government. Economic recovery, energy, environmental protection, and community development raise complex problems that transcend all jurisdictional assignments within state government and among federal, state, and local levels of government. These issues affect and are affected by the activities of a multitude of government units, but cannot be regarded as the responsibility of any one unit.

States are responding to these problems created by growth and change through the implementation of policies, programs, regulations, and structural changes that are designed to deal with specific problems. They also delegate responsibilities and allocate resources to local levels of government to assist them in dealing with growth problems. In all these measures, states are predominantly reactive, seeking to resolve problems or at least to modify or alleviate their adverse consequences.

The states' longer range response to the challenges of growth is through strengthening their overall capacity to effectively function. To become less vulnerable to change, states are attempting to improve their ability to anticipate future trends and events and to develop the management capability to cope with unexpected crises. To this end, the states are increasingly focusing their attention on the organization and procedures required for effective planning, policy development, fiscal management, intergovernmental relations, and government wide coordination.

The Federal-State Partnership

To achieve federal domestic policy goals, the Congress depends on state and local governments for program design and management. Health care, crime control, housing, economic development, land use, and recreation are just some of the major areas in which state and local governments have been asked to implement national planning and program objectives. There are few spheres of state government activity in which there is not federal involvement. Each federal program makes its unique demands on state government in its perception of eligibility, planning, organization, funding match, and procedures. The Federal government, by involving state and local government in its many programs, has intensified the need for coordination.

Too often weaknesses in state and local administration, coupled with inconsistencies in federal guidelines, have resulted in fragmentation of activities and caused overlap, conflict, and waste. Congress has justifiably looked to the states to help rectify this confusion. In response, states are demonstrating a steadily expanding capability in statewide planning and coordination, the prerequisite to the effective administration of the diverse Federal programs.

MANAGEMENT CAPABILITY

State Planning Process

State planning is a composite of the functions of many units of government. Where a process exists, state planning is the organized and continuous interaction of goal definition, problem analysis, policy development, program design, resource allocation, and performance evaluation. Coordination at all stages involves all participating units and levels of government. Among those states with a defined planning process, different roles are assigned to different units but there is a clear delineation of responsibilities among the governor's executive staff, state planning, community affairs, budget and line agencies, and regional and local units of government. How the organization chart establishes the structural relationships among these functions is secondary to the missions assigned to them and the ways in which they interact and interrelate with one another.

Every state has its unique organization for planning reflecting its own objectives, strategies, and agendas. The state planning director and the community affairs director may both be executive assistants to the governor. One or the other function or both may have agency status. The functions are often combined in one office or agency. In a number of states, the planning office is parallel to the budget office within an agency of administration. Planning and economic development are combined in several states.

State Planning Agencies (Table IX)

The dominant emphasis in the emerging patterns of planning structure appears to be on the coordination of policy and program design within state government and between state and local governments. The structural variations reflect differing views of the management roles of the planning function, the budget function, and the state-local relations function. There are three basic forms of organization: (1) state planning, community affairs, and budget in separate agencies; (2) state planning and community affairs together and budget separate; (3) budget and planning in the same agency and community affairs apart. Most states use some modification of one of these forms.

Vermont is an example of a State where there is a clear organizational distinction between the three functions. State planning is in the Executive Office of the Governor, budget in the Agency of Administration and community affairs in the Agency of Development and Community Affairs. The Vermont state planning officer has coordinative functions as secretary of the cabinet and administrator of Circular A-95. He chairs standing and ad hoc interagency groups and he participates in budget hearings. The Commissioner of Community Affairs administers regional and local planning assistance.

Centralized Planning

Community affairs and state planning are combined in Minnesota's highly centralized planning organization. The office has divisions of development, transportation, environmental planning, human resources, health planning, federal relations, financial and administrative services, and local and urban affairs. The State Planning Agency provides staff support for the Commission on Minnesota's Future which was established by the Legislature to propose a state growth and development policy. As in every state, the primary responsibility for program planning in Minnesota lies with the line agencies. Functional planning, the planning that gives direction and cohesion to program planning is, in Minnesota, a shared responsibility; planners from the State Planning Agency work with planners from the functional agencies, in many instances from several agencies with common or overlapping functional responsibilities. At the same time, the agency maintains very close working relations with the Legislature and legislative staffs. Another approach used by the agency to broadly involve itself in state government is a system of "interlocking directorates" through membership on and staffing of interagency bodies such as the Manpower Council, Environmental Quality Council, Council of Economic Advisors, Housing and Finance Agency, Rural Development Council, Interdepartmental Transportation Task Force, and Human Service Council.

Planning and Budgeting

The association of planning with budgeting usually occurs within a department of administration or a department of finance. Wisconsin is characteristic of the large group of states that have adopted this pattern. Under a Secretary of Administration, there is a Bureau of Planning and Budget divided into sections for budget and program planning, statewide comprehensive planning, management services, and administrative operations. The Budget and Program Planning Section has a budget operations unit and units for educational resources, human relations and resources, environmental and commercial resources, and general government. The independent Department of Local Affairs and Development has responsibility for both regional and local planning.

With executive reorganizations in 1974 and 1975, the planning and budgeting relationship continued to undergo change in several states. The functions were united in Colorado, Kansas, and Idaho, but split apart in Connecticut, Ohio, and Kentucky.

Interagency Coordinating Councils

At least 18 states currently have interagency coordinating councils of some sort. These councils take several different forms: governor's cabinets or cabinet subgroups, generally chaired by the governor and made up exclusively of department heads; state planning boards, established as an adjunct to the overall state planning process and, again, made up primarily of agency heads; and interagency clearinghouses, most frequently composed of lower level departmental representatives and program officials. Their principal functions are to exchange information, to focus on common problems and, in some cases, to resolve conflicts among different agencies. The primary purpose of these bodies is to coordinate activities which cannot be consolidated into a single department or agency.

The most common function of these councils is to provide a forum for the exchange of information relevant to more than one agency, such as proposed new programs or projects. Most of the councils also have responsibility for providing policy advice and recommendations to the governor and state legislature.

Among the states, Utah has one of the most highly developed interagency coordination systems. The Utah structure consists of interdepartmental groups of state agency planners and decision makers organized according to the interrelationships among

TABLE IX
ORGANIZATIONAL LOCATION OF STATE PLANNING AGENCIES*

State	Agency Name	Separate Department	Governor's Office	Dept. of Administration	Economic Development	Community Affairs	Other
ALABAMA	Development Office		X				
ALASKA	Division of Policy Development		X				
ARIZONA	Office of Economic Planning and Development				X		
ARKANSAS	Office of Planning		X				
CALIFORNIA	Office of Planning and Research		X				
COLORADO	Division of Planning					X	
CONNECTICUT	Department of Planning and Energy Policy	X					
DELAWARE	State Planning Office		X				
FLORIDA	Division of State Planning			X			
GEORGIA	Office of Planning and Budget	X					
HAWAII	Department of Planning and Economic Development				X		
IDAHO	Division of Budget, Policy Planning and Coordination		X				
ILLINOIS	Bureau of the Budget	X					
INDIANA	State Planning Service Agency		X				
IOWA	Office of Planning and Programming		X				
KANSAS	Division of State Planning and Research			X			
KENTUCKY	Office of State Planning		X				
LOUISIANA	State Planning Office		X				
MAINE	State Planning Office		X				
MARYLAND	Department of State Planning	X					
MASSACHUSETTS	Office of State Planning		X				
MICHIGAN	Department of Management and Budget			X			
MINNESOTA	State Planning Agency						
MISSISSIPPI	None[3]		X				
MISSOURI	Division of Budget and Planning			X			
MONTANA	Division of Planning				X		
NEBRASKA	State Office of Planning and Programming		X				
NEVADA	Office of the State Planning Coordinator		X				
NEW HAMPSHIRE	Office of Comprehensive Planning		X				
NEW JERSEY	Division of State and Regional Planning					X	
NEW MEXICO	State Planning Office		X				

See footnote at end of table. (Table continued on next page)

TABLE IX—CONTINUED

State	Agency Name	Separate Department	Governor's Office	Dept. of Administration	Economic Development	Community Affairs	Other
NEW YORK	Division of State Planning						X[1]
NORTH CAROLINA	Office of State Planning			X			
NORTH DAKOTA	State Planning Division						X[2]
OHIO	Department of Economic and Community Development				X		
OKLAHOMA	Office of Community Affairs and Planning				X		
OREGON	Intergovernmental Relations Division		X				
PENNSYLVANIA	Office of State Planning and Development		X				
RHODE ISLAND	Statewide Planning Program			X			
SOUTH CAROLINA	Office of Community Development			X			
SOUTH DAKOTA	State Planning Bureau		X				
TENNESSEE	State Planning Office		X				
TEXAS	Division of Planning Coordination		X				
UTAH	Office of State Planning Coordinator		X				
VERMONT	State Planning Office		X				
VIRGINIA	Division of State Planning and Community Affairs					X	
WASHINGTON	Office of Program Planning and Fiscal Management		X				
WEST VIRGINIA	Office of Federal-State Relations		X				
WISCONSIN	State Planning Office			X			
WYOMING	State Planning Office		X				

*SOURCE: Prepared by the Council of State Governments, based on a 1975 survey of state 701 planning activities. Data compiled October 1975.
[1] Located in State Department;
[2] Located in Department of Accounts and Purchases
[3] Mississippi has no single agency designated as the State Planning Agency. Planning Functions are fragmented among several state offices.

activities of different agencies. These groups of decision making and planning officials work on problems of planning for the delivery of government services that concern two or more agencies. The highest level of the structure is the State Planning Advisory Committee composed of department directors, the budget director, and the state planning coordinator. At this level, matters of policy determination, conflict resolution, and program integration are considered. The purpose of the structure is to make possible communication upward from the needs-assessment level and downward from the policy level. The key objective is to identify potential conflicts among agencies at the earliest stage of planning, rather than to attempt to deal with conflicts through a review of projects already at the implementation stage.

Utah's state level structure parallels a similar organization of local units of government. The Governor's Advisory Council on Local Affairs is made up of 21 city and county elected officials invited by the Governor to represent their respective Associations of Government.[1]

Community Affairs Agencies (Table X)

A significant response of the states in recognition of their need to improve their relations with local government has been the creation of state community affairs agencies. More than 20 states have established agencies in which assistance to local communities is the dominant function. In many others, the function is combined with state planning, economic development, or similar compatible activities. Such agencies provide technical assistance and services, and a means of communication between levels of government.

Community affairs agencies serve as conduits for federal categorical grants. With the new demands upon local governments made by the 1974 Housing and Community Development Act to initiate community development programs, housing assistance plans, and land use plans, the assistance and coordination programs of community affairs agencies have become important components of effective community development.

Community affairs officials usually consider themselves as intermediaries between state and local governments, the advocates of the state point of view in dealing with local officials, and advocates of the local point of view in dealing with state officials. The ambivalence of the role creates problems but is unavoidable.

Regional Planning Organizations (Table XI)

For a great many states, the keystone in state-local cooperation and coordination is the multifunctional regional organization. There are 455 designated regional councils in 44 states. In 1973, 44 states had designated substate district systems with a total of 488 districts, but 25 percent of the districts had not been organized with a governing body and staff to carry out assigned responsibilities.

Only Alaska, Delaware, Wyoming, Nevada, and Rhode Island do not have substate district arrangements. Of these, geographically small Delaware has one metropolitan planning region, with planning and intergovernmental coordination for the balance of the state being done by the state planning office. With four regional organizations in Nevada and two in Alaska and increasing land use problems in both states, these states continue to evaluate the feasibility of establishing substate districts. In Hawaii, the four counties (the only units of local government) serve as the substate districts and the state has recently established a state level intergovernmental council to assure maximum input and coordination.

Among states and often within states there is radical variation in the productivity, stability, and scope of activity of regional planning organizations. Almost all states approach regional organization with considerable flexibility. Membership and support by counties and municipalities is voluntary. Makeup of governing boards may vary by organization, although the great majority of states now require that elected officials predominate. The participation of elected officials appears to be a prerequisite to a strong regional planning role in state-local relations.

Scope of Programs

The scope of program activity varies within as well as among states. Regional organizations in several states have a largely uniform program scope including federal planning assistance programs in health, manpower, aging, land use, housing, economic development, criminal justice, and transportation. There is usually some variation between metro and nonmetropolitan districts. In others, land use and community development are the predominant concerns. Almost all regional organizations serve the A-95 clearinghouse function.

Across the South and Southwest, substate districts established for economic development predominate. In states such as Georgia, Kentucky, and Texas, the districts represent very strong associations of local governments, generally have uniform work programs, and are engaged in a very broad spectrum of activities. Across the nothern tier of states, the picture is mixed among the states and within them. California and Washington each have a couple of very active and potent regional organizations, while other areas of the state either are with-

TABLE X
FUNCTIONS OF STATE OFFICES OF COMMUNITY AFFAIRS *

STATE	NAME OF OFFICE	Fiscal Advice	Interlocal Cooperation	Coordination of State Activities	Personnel Training	Local Financial Supervision	Financial Assistance	Functional Planning Assistance	Local Planning Assistance	Regional Planning Coordination	Research and Information	Housing Programs	Economic Development Programs	Anti-Poverty
ALABAMA	Development Office			X			X	X	X	X	X	X	X	X
ALASKA	Department of Community and Regional Affairs	X	X	X	X	X	X	X	X	X	X	X		X
ARIZONA	Department of Economic Planning and Development	X	X	X	X	X	X	X	X	X	X	X	X	
ARKANSAS	Department of Local Services	X	X	X	X		X	X	X	X	X	X	X	
CALIFORNIA	Department of Housing and Community Development		X	X			X		X	X	X	X	X	
COLORADO	Department of Local Affairs	X	X	X	X	X	X	X	X	X	X	X	X	
CONNECTICUT	Department of Community Affairs	X	X	X			X		X		X	X	X	X
DELAWARE	Department of Community Affairs		X	X	X		X				X	X	X	X
FLORIDA	Department of Community Affairs	X	X	X	X		X	X	X	X	X	X	X	X
GEORGIA	Bureau of Community Affairs, Department of Community Development	X	X	X			X		X	X	X		X	
IDAHO	Bureau of Planning and Community Affairs	X		X			X	X	X	X	X			
ILLINOIS	Department of Local Government Affairs	X		X	X		X	X	X	X	X	X		
IOWA	Office for Planning and Programs	X	X	X	X		X	X	X	X	X	X	X	
KENTUCKY	Office for Local Government	X	X	X	X	X	X	X	X	X	X			
MAINE	Bureau of Community Affairs				X		X				X		X	
MARYLAND	Department of Economic and Community Development				X						X	X	X	
MASSACHUSETTS	Department of Community Affairs	X	X	X	X		X	X	X	X	X	X	X	X
MINNESOTA	Office of Local and Urban Affairs, State Planning Agency		X	X	X		X	X	X	X	X	X	X	
MISSOURI	Div. of Community Development, Department of Consumer Affairs, Regulation, and Licensing	X	X	X	X				X		X		X	X
NEBRASKA	Division of Community Affairs, Department of Economic Development	X	X	X	X		X	X	X	X	X	X	X	
NEW HAMPSHIRE	Community Planning, Office of Comprehensive Planning		X	X			X		X	X	X	X		
NEW JERSEY	Department of Community Affairs	X	X	X	X	X	X	X	X	X	X	X	X	X
NEW MEXICO	Intergovernmental Services, State Planning Office	X					X	X	X	X	X	X	X	
NEW YORK	Division of Community Affairs, Department of State		X	X	X			X	X	X	X		X	X
NORTH CAROLINA	Div. of Community Assistance, Dept. of Econ. and Natural Resources	X	X		X		X	X	X	X	X	X	X	X

(Table continued on next page)

TABLE X—CONTINUED

STATE	NAME OF OFFICE	Fiscal Advice	Interlocal Cooperation	Coordination of State Activities	Personnel Training	Local Financial Supervision	Financial Assistance	Functional Planning Assistance	Local Planning Assistance	Regional Planning Coordination	Research and Information	Housing Programs	Economic Development Programs	Anti-Poverty
OHIO	Department of Economic and Community Development	X	X	X	X		X	X	X	X	X	X	X	X
OKLAHOMA	Div. of Community Affairs, Dept. of Economic and Community Affairs		X	X	X		X	X	X	X	X			
OREGON	Local Government Relations Division, Executive Department		X	X			X	X	X	X	X			
PENNSYLVANIA	Department of Community Affairs	X	X	X	X	X	X		X	X	X	X	X	X
RHODE ISLAND	Department of Community Affairs			X	X		X	X	X		X	X		X
SOUTH CAROLINA	Office of Community Development, Div. of Administration	X		X			X	X		X	X		X	
SOUTH DAKOTA	State Planning Bureau		X	X			X	X	X	X	X	X	X	
TEXAS	Department of Community Affairs	X	X	X	X		X	X	X	X	X	X	X	X
UTAH	Department of Community Affairs	X	X		X		X		X	X	X	X		X
VERMONT	Dept. of Housing and Comm. Affairs, Agency for Dev. and Comm. Affairs	X	X	X	X		X	X	X	X	X	X		
VIRGINIA	Division of Planning and Community Affairs	X	X	X	X		X	X	X	X	X	X	X	X
WISCONSIN	Department of Local Affairs and Development	X	X	X	X		X		X	X	X	X		X

* States responding to survey. Based on a survey of community affairs agencies compiled by the Pennsylvania Department of Community Affairs, 1974, updated by Council of State Government surveys, Fall 1975.

TABLE XI
SUBSTATE DISTRICTS*

State	Designated [a]	Organized [b]	Funded [c]
ALABAMA	12	12	12
ALASKA	0	0	0
ARIZONA	6	6	6
ARKANSAS	8	8	8
CALIFORNIA	10	4	4
COLORADO	13	13	13
CONNECTICUT	15	15	15
DELAWARE	0	0	0 [d]
FLORIDA	10	10	10
GEORGIA	18	18	18
HAWAII	4	4	4 [e]
IDAHO	6	6	6
ILLINOIS	14	14	14
INDIANA	17	17	17
IOWA	16	15	15
KANSAS	11	11	11
KENTUCKY	15	15	15
LOUISIANA	8	8	8
MAINE	8	8	8
MARYLAND	7	5	5
MASSACHUSETTS	13	13	13
MICHIGAN	14	14	14
MINNESOTA	13	13	13
MISSISSIPPI	10	10	10
MISSOURI	20	20	20
MONTANA	12	12	12
NEBRASKA	26	15	14
NEVADA	0	0	0
NEW HAMPSHIRE	6	6	6
NEW JERSEY	10	10	10
NEW MEXICO	6	6	6
NEW YORK	11	11	11
NORTH CAROLINA	17	17	17
NORTH DAKOTA	8	8	8
OHIO	15	10	8
OKLAHOMA	11	11	11
OREGON	14	13	13
PENNSYLVANIA	10	10	10
RHODE ISLAND	0	0	0
SOUTH CAROLINA	6	6	6
SOUTH DAKOTA	6	6	6
TENNESSEE	9	9	9
TEXAS	21	21	21
UTAH	7	7	7
VERMONT	13	13	13
VIRGINIA	22	22	22
WASHINGTON	13	11	4 [f]

(See footnotes at end of table) · (Table continued on next page)

TABLE XI—CONTINUED

State	Designated	Organized	Funded
WEST VIRGINIA	11	11	11
WISCONSIN	8	8	8
WYOMING	0	0	0

*Compiled by the Council of State Governments.
a Districts have been officially designated by the governor
b Districts have begun internal organization and, in some cases begun acquiring staff
c Districts receive state appropriations or state pass-through of federal funds
d Considered too small to divide into substate districts
e Four counties serve as substate planning organizations
f Has separate designations for local areawide planning and coordination of federal-state activities

out councils or have largely inoperative groups. This is a pattern common to states across the country, although almost every state is actively promoting regionalism and investing increasing activity and funds in strengthening regional structures.

Just as regional organizations vary, so do state attitudes toward them. The question of whether regional organizations should represent local interests, state interests, or both, concerns state officials. However, where regional organizations are most effective and powerful, they are recognized as representing local interests albeit in the administration of state and federal programs. They are considered to be locally controlled and their programs compatible with local goals and concerns.

Most states add a state contribution to the local and federal funds that support regional organizations. There is a direct relationship between the amount of state support and the degree of state influence over regional policy. The warmth of relationship between state and region also depends on the extent to which the state invites regional participation in state policy development.

Many states would like to devolve more powers and programs to the regional level where there is more potential for responsiveness to differing local needs. Moreover, state bureaucracies are sensing increased legislative and public opposition to the concentration of powers and funding at the state level.

Umbrella Organizations

In 1973, the National Advisory Committee on Intergovernmental Relations recommended the adoption of state policies and action to foster creation of single, multipurpose, multijurisdictional regional councils called "umbrella multijurisdictional organizations" or UMJOs. By mid 1970, 28 states had taken action to recognize a single substate body to be responsible for comprehensive planning for its region. The UMJO concept has been encouraged by a 1973 revision in Part IV of OMB Circular A-95 which requires memorandums of agreement on coordination between designated substate districts and single purpose areawide planning agencies requesting federal funding.

With improved organizational and administrative capability, more substate districts are attempting to integrate planning activities to provide policies and criteria for reviewing and coordinating development activities. The State of Georgia now requires an annual development plan to encourage the evaluation of integrated areawide planning and management capability. Minnesota and Louisiana are studying ways of integrating federally funded planning programs to facilitate policy and program integration.

The improved capability of substate districts appears to offer increased opportunities for intergovernmental management of growth through effective leadership by the states. With recent revision of OMB Circular A-95, more states appear to be discovering new opportunities for exercising the needed leadership.

Political Opposition

In Wisconsin, as in several other states where planning councils have been in political trouble, Governor Patrick J. Lucey has recently moved to breathe new life into regional organization. In announcing his programs in March 1975, Governor Lucey wrote:

> An alarming number of people have been attacking regional planning in Wisconsin and charging that it is a state scheme to impose greater centralization and control over local government. In fact just the opposite is true. I hope that my proposal to allow local governments to nominate the complete membership of the commissions will make clear that commissions are intended to serve the interests of local government. I also hope that town, village, city and county elected officials will join with me in dispelling the false charges which are being made about regional planning and in explaining the vital role the commissions can play.
>
> Regional planning, as I see it, is an extremely effective way for local interests and points of view to be expressed. It offers one of the best ways for a strong local interest to be voiced when state or

federal decisions are being made. Regional planning allows 'local power' to be mobilized and brought to bear on state and federal policy. The collective voice of local governments, expressed through an adopted areawide plan, is a very effective way to influence where a state or federal highway is located or where an industrial site will be developed.[2]

The Governor's emphasis that regional organizations represent local rather than state interests reflects a prevailing attitude among state officials across the Nation. While the states have provided the legal framework for regional organizations, and prescribed the geographic division of the state, the decision to associate has been, in most instances, left to local government initiative. Regional organization has been promoted by the states as serving local interests. Nevertheless, state interests are served, particularly when regional councils are the vehicle for consolidation of management or at least coordination of federal assistance programs that the state must administer on an areawide basis.

Interstate Regional Cooperation

Multistate regional development commissions and councils provided member states with a mechanism to deal with growth problems which transcend jurisdictional boundaries. As forums for policy planning and development, these regional institutions assist in the coordination of individual state plans and programs which affect the quality of life throughout the region. States have joined together at the initiative of the Federal government as well as at the initiative of member states. The federally sponsored economic development groups are the Appalachian Regional Commission, with 13 member states; the New England Regional Commission with six states; the Costal Plans, with three South Atlantic states; the Ozarks Regional Commission, with four states; the Old West Regional Commission, with five northern Great Plains and Upper Rocky Mountain States; the Four Corners Regional Commission, serving four southern Rocky Mountain States; and the Pacific Northwest, with three member states. Although member states contribute funds to the commissions, the principal support is federal and includes capital investment funding.

The Appalachian Regional Commission (ARC), created under separate legislation from the other economic development commissions, has devoted most of its efforts to highway development as a means of opening the area to economic development. The remaining seven commissions, organized under Title V of the Public Works and Economic Development Act of 1965, have less authority and funding than does ARC, but they have developed and are currently revising long range comprehensive development plans to serve as guidelines for programs and project funding. Though the primary purposes of the economic development commissions are economic and public investment planning, they also provide effective forums for governors to develop policy positions and to articulate regional concerns to federal policymakers.

In the last two years, several regional commissions have given primary attention to the particular energy and employment problems common to the region. In energy dependent New England, for example, the New England Regional Commission has developed short range programs of fuel rationing and conservation, as well as addressed long range efforts at policy planning, technical assistance in energy resource management, and cooperative arrangements with Canada to increase fuel supply. In contrast, the Old West Regional Commission provides financial and technical assistance to the states and communities in an energy producing area to meet the environmental, social, and economic impacts associated with accelerated energy resource development. In both energy producing and energy dependent areas, the regional commissions have contributed to state growth management capability by contributing funds for staff development, public investment plans, economic development models, and citizen participation programs.

State Initiated Programs

Of the numerous and varied state initiated regional councils, the Federation of Rocky Mountain States, composed of the eight states in the region, and the Southern Growth Policies Board, with 14 member states, are strongly oriented to growth policy and growth management. In the Federation, the basic units are the functional councils with public and private representatives. Each council identifies and develops regional agreements on key issues, defines policies on those issues, and proposes multistate policies and programs to address the issues. In 1974–75, the Federation concentrated on common goals and concerns in the area of energy development.

An offshoot of the Federation and the Old West and Four Corners Regional Commissions is the ten-state Western Governors' Regional Energy Policy Office. The mission of the Office is to identify those energy areas in which states have basic agreement and to provide a mechanism for cooperation with the various federal agencies involved in energy decisions.

The Southern Growth Policies Board was formed in 1972 as a regional agency to provide cooperative efforts to encourage the conservation and development of the region's human and natural resources.

TABLE XII
STATE GROWTH PLANNING STATUS

1. *Completed Growth Plans or Policy Guidelines* [1]	
Connecticut (1975)	Louisiana (1974)
Florida (1975)	Maryland (1975)
Hawaii (1975)	Missouri (1974)
Wisconsin (1974)	Oregon (1975)
Vermont (1973)	North Carolina (1975)
Iowa (1974)	Rhode Island (1975)
Kansas (1975)	Washington (1975)
Kentucky (1974)	Pennsylvania (1975)
South Dakota (1975)	
2. *On-going Public Commissions and Processes*	
Alabama	Maine
Alaska	Massachusetts
Arizona	Minnesota
Connecticut	Mississippi
Delaware	Montana
Hawaii	New Jersey
Idaho	North Carolina
Illinois	South Dakota
Indiana	Utah
Iowa	Wisconsin
3. *On-going Private Commissions and Processes*	
California Tomorrow	
New Hampshire Tomorrow	
Institute of Public Alternatives (New York)	
Oregon Tomorrow Foundation	
Vermont Tomorrow	

* SOURCE: Council of State Governments survey. Data compiled October 1975.
[1] Complete plans or guidelines have not been officially adopted in all States.

Regional committees were formed in 1974 to advise the Board in the areas of growth management, human resource development, land and natural resources, and transportation. A Commission on the Future of the South, created by the Board in 1974, produced the first statement of proposed regional objectives for member state consideration and implementation. The regional objectives were supplemented in 1975 with recommended methods to implement land and natural resources programs.

GROWTH POLICY DEVELOPMENT

New Planning Perspectives (Table XII)

In many states in the mid-1970s, economic and environmental circumstances have significantly altered the role and perspective of state planning. State planning is evolving into a concept of growth policy planning and management. This is also reflected in the changing concepts of land use and economic planning.

In general, the concept of land use planning has had its focus changed from one aimed at directly controlling growth to one of coordinating development consistent with environmental and land use concerns. State initiatives are directed to coordinating development through such measures as powerplant siting, environmental regulations, capital improvements planning, floodplain regulations, and mandated guidelines for local land use planning and control. This approach is also reflected at the federal level in HUD, EDA, and EPA guidelines and interagency agreements which provide for community development and capital improvement coordination with uniform land use plans and environmental standards.

On the other hand, state economic planning which has tranditionally concentrated on industrial location and expansion is now becoming defined in terms of optimization of economic benefits, environmental quality, and resource conservation. In this context, states see themselves as instruments of change that can allocate resources in order to stimulate development consistent with desired land use and environmental quality while maximizing social benefits.

Both land use planning and economic planning are evolving toward a concept now being referred to as growth policy planning and growth management. Consistent with this approach, 17 states have some form of official growth plan or policy guideline. Twenty-one states have established state level growth commissions or processes. Relatively few of these statements or studies have gone far beyond the recognition of need and the identification of some key components over which states may exercise initiative. In the handful of states that have developed sophisticated growth planning processes, three general types can be identified: (1) alternative futures analysis; (2) strategic issues identification; and (3) public investment planning.

The "alternative futures" approach involves a considerable number of goals and objectives tested against alternative future scenarios. These scenarios are based on a range of alternatives from a stabilized economy to highly accelerated economic growth rates. From the results of testing the alternatives, state officials can design a program to encourage a desired growth pattern, that is, attempt to moderate and change past trends and location of growth by deliberate policy implementation. The 1975 Hawaii Legislature passed a major growth policies plan bill to guide state development on the basis of a program developed by the state administration using this technique.

The "Utah Process" is a technique for analyzing and projecting economic and demographic data into alternative futures scenarios. Through the use of computer-based projection and allocation models, the Utah Process is employed to identify important consequences of large scale developments and events that are proposed or may be anticipated. "Alternative futures" are developed through testing different combinations of developments and events for their impact on the state's base demographic and economic projections. Arizona is presently developing a similar approach based on an economic and environmental trade-off model.

Strategic Issues Analysis

The second approach is the "strategic issues" technique, which is currently in its embryonic stages in Maryland and Kentucky. This process focuses on those key problems which, if eliminated, would have the greatest impact on the state economy. The strategic approach assumes that of all things that might be done under the heading of "development," there are a relatively small number of truly critical actions. If identified and accomplished, these will not only be useful in themselves, but will also have a cascade-like effect, causing other useful events.

The Kentucky approach involves a detailed and intricate process designed to (1) collect and organize existing data and identify information gaps; (2) reorganize the accumulated information in order to identify those key elements that can guide the state's growth and development; and (3) examine the management structure needed to carry out the objectives laid in the strategy design.

Maryland is developing a somewhat different strategic issues method. Their process includes issues identification, issues development, issues resolution, and implementation. The process has an explicit "action oriented mission," designed to result in an array of legislation, new programs, or public ininvestment of specific resources.

The third system is "public investment planning" employed in Pennsylvania. This approach requires the projections of future growth potentials, population, income, and social service requirements. These "probable" indicators of future trends are then matched with a set of "desired" expectations. The gap between the projections and desires represents those areas which need public attention and investment. The culmination of the program is the identification of funding sources for future investment and the rethinking of those adopted development targets for which resources will be unavailable.

State Investment Planning

Investment in public facilities is often instrumental in determining land use patterns, resource management opportunities, and private investment patterns. However, in the planning and budgeting process, public projects are usually not examined in the light of their impact until late in the design stages after many of the essential decisions on size, timing, type, and location have already been made.

To improve the investment decision making process in Vermont, Governor Salmon issued Executive Order #2 on public capital investment. The objective of the order was two-fold. First, the Governor wanted agencies to give more timely consideration to the review of development not only on its environmental impact, but also for the impact it might have on future growth. A second reason for the issuance of the order was the concern that public funds be spent as effectively as possible. Few investment decisions affect only a single agency; more often one facility may require or enhance the investment in another. Sometimes lack of coordination in location or timing or capacity of facilities may result in duplications, early obsolescence, or actual conflicts, all of which are expensive for the taxpayer. Another aim of the order, then, is to see that the decision making process is more closely coordinated among state agencies.

Property Taxation

The role of the property tax in determining growth and development patterns is a concern of many states which are seeking to influence private sector and municipal decisions relating to the location of development. There is a growing trend among state governments to try to balance and diversify revenue sources. While this trend has diminished state and local reliance on the property tax, this source remains the greatest individual contributor of income for state and local governments. For 1974, property taxes accounted for 35.5 percent of the total revenue of these governments.[3]

The power to levy property taxes has, in most states, been delegated to local units of government. Local communities are therefore able to define and fund their own service needs and consequently influence the types and location of new growth. The fact of local control of property taxation, while useful for maintaining local leverage over private growth decisions, also permits disparities to occur due to market and development pressures. So, in addition to trying to balance their sources of revenue, states have also in recent years begun major efforts to try to bring reforms to the property tax structure.

The conversion of agriculturally productive land to urbanized development is one of the most serious and recognized symptoms of the flaws in the property tax structure. In direct response to this problem, 42 states have adopted some form of differential property assessment to ease the tax pressures on agricultural land near urban areas. Seven states (Michigan, Nebraska, Nevada, Missouri, Ohio, Oklahoma, and South Carolina) initiated their programs during the past biennium, while Pennsylvania added major amendments to its existing program of deferred taxation in 1974.

Of the three forms of differential assessment, deferred taxation is the most prevalent with 25 state adherents. Such programs involve the assessment of farm property based on its current use, as opposed to its potential value, and impose tax penalities on owners if the land is taken out of farm use. Preferential assessment, which 13 states have adopted, is a system of use-value assessment without penalities for changing the use of the land. Five states employ the restrictive agreements form of differential assessment, in which the land owner agrees not to change the use of his land for a certain period of time in exchange for tax concessions. In Michigan, the most recent state to adopt this system, the tax reductions apply to the personal income tax rather than directly to the property tax payment.

Other reforms of the property tax structure include tax relief to families which appear to the shouldering an undue financial burden, which encourages them to seek alternate uses or subdivide their property. The most common approach to this relief is the circuit breaker, in which a property tax reduction, an income tax credit, or a cash rebate is granted to property owners qualifying under legislated guidelines. The guidelines are generally tied to income ceilings and may have special allowances for the elderly and the handicapped. Over one-half of the states have gone to the circuit breaker as a means of providing tax relief. A somewhat different approach to the same problem was enacted by Florida in 1974. The law requires public review of proposed increases in property tax rates.

Another problem that arises from the local administration of property taxation is the inequitable variation that may exist in assessment practices across jurisdictions. To overcome this, Hawaii, Maryland, and Montana have instituted centralized state administration. This centralized mechanism enables the state to directly supervise property assessments, the maintenance of records, and the qualifications of assessors in order to ensure a more equitable application of the taxation process.

Citizen Participation

"The challenge before the Legislature this year is to begin to establish a comprehensive growth policy," Governor Daniel J. Evans told the Washington State Legislature as it convened for its 1975 session.[4] The Governor proposed a package of measures inspired by the result of his program to involve citizens in the determination of the direction of state growth and development for the coming decade.

The Alternatives for Washington is the citizen participation element of the State's long range policy planning process which, in turn, is a component of Washington's Program Decision System of budget preparation.

In August 1975, Governor Evans presented the published recommendations of the Alternatives statewide task force and announced that the program would continue, saying:

> It is very easy to select a rather utopian future, to list all of the goals we would like to see achieved. It is quite another thing to recognize the costs of getting to those goals. And phase two will deal with the trade-offs—the policy trade-offs and the cost trade-offs—which are necessary in order to achieve the goals which people have stated that they wanted. I suspect that in the course of phase two we may

find that there are some changing opinions of people, a recognition that if the cost is too high or the policy is too difficult, they may choose to modify or change the ultimate goals they seek.[5]

The Governor said he was asking citizens to attempt to measure the trade-offs and costs of their proposals in order to provide guidelines to the executive and Legislature for a sound way of planning specific actions "to build the kind of state we seek."

Meanwhile, within the Evans administration, a systematic effort is under way to analyze current state policies in the light of the publicly endorsed preferences that were reflected in survey responses, and the state goals that were formulated by the areawide and statewide Alternatives groups. This process will lead, beginning in the late fall, to consultations with state agencies on their policy directions by the state planning staff of the Office of Program Planning and Fiscal Management. Under the state's integrated planning and budgeting process, the agencies must develop a program framework for their budget requests, working with the state planning staff to assure that agency planning is consistent with broader administration goals and policies. The results of the Alternatives program will be used as a framework for the consideration of the direction of agency planning both in the short term—the FY '77-79 budget—and for the next ten years.[6]

Looking to the Future

A comparable effort to engage citizens in the planning process is being undertaken in Minnesota. The Commission on Minnesota's Future was established by law in 1975 "to prepare, for consideration by the Governor and the Legislature, a proposed state growth and development strategy; to prepare reports assembling relevant information regarding the State's future; to examine the long range plans of state departments and agencies, including the University of Minnesota, state colleges and junior colleges, and to assess their possible impact on state growth and development, and to report to the Governor and the Legislature at regular intervals on the development implications of major state decisions."[7] The State Planning Agency was instructed to provide staff support and a joint legislative committee was assigned to review commission reports, evaluate alternatives, identify legislative priorities, and "develop a planning capability consistent with the task of this commission."[8]

The Commission is made up of 66 members including legislators, chairmen of regional planning commissions, and 40 citizens appointed by the Governor from lists of nominees solicited from political parties, labor, agriculture, industry, and environmental groups. The Commission began meeting in October 1973 and must conclude its work by June 30, 1977. It sets its own agenda. It has divided itself into committees on natural, human, man-made, and governmental environments and is focusing on the interaction of these environments with people. Out of their discussion is to come analysis of alternative futures and of what is needed to achieve them in time for consideration by the 1977 legislative session.

In January 1975, the Minnesota State Legislature joined with the State Planning Agency and the Commission on Minnesota's Future in sponsoring a three day legislative symposium, Minnesota Horizons. The seminar provided the opportunity for the legislators to participate in an extensive review of the significant issues confronting the state and how these issues could be addressed. Members of the Commission, citizen experts, and members of the state planning staff briefed the Legislature on the status of the State—its people, its economy, its natural and man-made environments—and examined important trends and developments that could be expected to influence the State's future.

Legislative Initiatives

In Florida, the 1974 session of the Legislature came directly to grips with fundamental policy issues in the consideration and passage of a "concurrent resolution adopting a policy on growth." The Speaker of the House was the driving force behind the effort, instructing every committee to make growth policy its priority focus and to relate all other programs to growth policy. The Division of State Planning provided information and analysis, but the formulation of the policy statements was done by the legislators. The statements range from "quality of life" to "local responsibility" to "sound economy." For each area of concern, several policies were enunciated, restraints acknowledged, and alternative implementing actions proposed. The resolution is intended as a framework for legislative action in the future and as a broad policy guide for state and local governments. The growth policy provided for annual review. It will be the responsibility of the Legislature to accomplish this. The Division of State Planning, working in concert with legislative committees is to provide the means and assistance leading to this annual review.

In September 1974, Governor Reuben Askew issued an Executive Order directing the Division of State Planning to study and develop methods to implement the policies established by the Legislature and requested the cooperation of all state agencies in the development of plans and recommendations to the Legislature to implement its objectives. An Implementation Report issued in April 1975 indicated actions required by the Legislature and the agencies and reported on progress toward accomplishing each step.[9]

Footnotes

1. *Op. cit.*, "Managing A Growth Explosion."
2. Press release, Office of the Governor, State of Wisconsin, March 1975.
3. *State Actions 1974: Building on Innovations*, Advisory Commission on Intergovernmental Relations, Washington, 1975.
4. *Op. cit.*, State of the State Address.
5. Transcription of news conference, August 21, 1975.
6. "Washington Asks Its Citizens to Choose the State's Future," Council of State Governments, October 1975, (case study for 1976 National Growth Report).
7. Minnesota Statutes 1973, Chapter No. 741.
8. *Ibid*.
9. "An Explicit Growth Policy—Now What?," Earl M. Starnes, Council of State Governments, (case study for 1976 National Growth Report).

IV. Defining Growth Objectives

Aspirations and Realities

Legislators in Florida and Hawaii, state planners in Massachusetts and Colorado, citizen groups in Washington and Minnesota, commissions and committees in states throughout the Nation are attempting to define growth policies for their states. While for each state there are special concerns and points of emphasis—reflecting the great diversity among the states—there are strong common threads that have the potential of being woven into the fabric of a national growth policy.

These are expressions of aspirations, of choices among alternative future possibilities. They are proposed as guidelines for state policy makers, designed to give some framework and coherent direction for decisions that will affect the states' near and distant future.

The combination of the economic recession and energy crisis in the mid-1970s has sharpened state perceptions of the degree to which the states are vulnerable to the economic consequences of Federal government and private enterprise decisions. The economy is national and international. The forecasts of state analysts and ambitions of state political leaders are easily shattered by forces set loose in Federal conference rooms and corporate board rooms.

Although planning for growth has tended to concentrate on the economic and environmental dimensions of public life, social concerns are understood to be integral components of a comprehensive growth policy. States that have defined their goals have addressed health, education, housing, and social equity as fundamental aspects of the quality of life they aspire to create.

The social dimension has been brought sharply into focus in the mid-1970s as the impact of the economic slump has been felt in soaring crime rates, overburdened welfare programs, and widespread human deprivation aggravated by the inability of many states to meet new demands or even maintain services to which they were already committed. The suddenly identified aim for national energy self-sufficiency has brought its own set of social problems to states where the rush to exploit energy resources has created demands for immediate community development and human services which existing communities and states cannot provide.

In Pursuit of Quality

The discontinuities of the present and the uncertainties of the future have led to diminished expectations of growth and benefits from growth. Moreover, the national concern with environmental quality that derived from the pollution and urban crises of the 1960s has been reinforced by the growing realization in the mid-1970s that the energy crisis is a symptom of the long-term problem of the exponentially increasing rate of consumption of finite resources. Reflecting these converging economic and environmental forces, state growth policy statements are increasingly emphasizing qualitative change—the improvement of the conditions of life—over quantitative measures of growth. Severe economic problems notwithstanding, governors, legislatures, and citizen groups are urging that growth objectives be tempered by the imperative that development be consistent with maintaining and enhancing the quality of the physical and social environment.

STATE OBJECTIVES

A composite picture of the states inevitably aggregates positive actions and illustrates noteworthy achievements. Examples are not made of failures and laggards. Were they to be, the same states cited for accomplishment in some areas could be shown to be delinquent in others. What the record shows in initiative, innovation, and accomplishment is representative in part of every state, but is not descriptive of any single state.

The Substance and Process of Citizen Choices

An estimated 65,000 people have participated in the Alternatives for Washington program through surveys, media questionnaries, and conferences. The first report of the project shows that the composite picture of the Washington state its citizens want to see emerging over the next ten years is one of a state growing moderately in population and economic opportunity, dispersing and diversifying its employment base, conserving its resources, protecting its environment, and improving the performance of its government. Population should increase at no greater than the national rate. Family planning, education, and services should be expanded. Future population growth should be widely distributed over the State.

New job opportunities should be created in smaller communities. The State should control major utility and facility locations to promote dispersal.

Dispersal should be supported through ecnouraging industrial development suitable to less populated areas. This should be development that will use resources available in these aras, such as energy production, agriculture, timber processing, light manufacturing, and communications activities. Intercity public transportation and rural roal networks should be improved. Selective use of tax incentives could be used to guide private investment decisions to reinforce settlement dispersal.

The problems of rural isolation could be overcome by innovative communications systems for commercial, educational, and cultural use. State services should be comparable for all areas, particularly in education, requiring a higher level of state funding and tax base sharing among communities.

The citizens of Washington want economic growth sufficient to meet the employment demands of the State's workers, but not to provide opportunities that will attract outsiders.

The resources of the State should be surveyed and the carrying capacity of land, water, and air determined. Regulations should be adopted to require that: renewable resources are used at no greater than the replacement rate; the use of irreplaceable resources is restricted, and; water quality, air quality, and land resources are protected. Land use planning as an intergovernmental activity with a high degree of citizen participation is advocated.

Finally, Washington's citizens called for the reform of government through the adoption of a new state constitution that would consolidate powers and clearly delineate executive and legislative functions and make possible the reorganization of local governments on the basis of geography and efficiency in service delivery.[1]

Economic Diversity

The desire of Washingtonians of a diversified economy is echoed in the Selected Growth Policies resolution adopted by the 1975 Legislature in Hawaii [2] and the State Comprehensive Development Plan adopted in 1975 by the South Dakota State Planning Commission.[3] A Colorado Growth Policies draft, being circulated among state agencies in the fall of 1975 by Governor Lamm, says that the state should "Encourage a diverse and stable economic base tailored to the State's needs by attracting and providing incentives for a variety of industries that are environmentally desirable, relatively insensitive to the national economy and other external influences, and with a sound future potential." [4]

Resource development with protection of agricultural, timber, and mineral resource lands is a theme common to the growth policy statements of Hawaii, Colorado, Idaho, Oregon, and Vermont. These states and many others are emphatic in their determination to maintain and expand their agricultural production and to keep family farms in operation.

Population Dispersal

A companion goal to economic diversity is dispersal of economic activity to support a dispersed pattern of settlement. Colorado seeks balanced population distribution with growth directed away from its congested Front Range and environmentally fragile mountain areas to the lightly populated High Plains and South Central regions. Hawaii's growth plan sets target population increases at a lower level for Oahu than for the other islands. A draft land use policies paper for the State of Idaho [5] says "Long range policies should seek to distribute Idaho's population growth to areas desiring and able to accommodate growth," and makes suggestions on ways to accomplish this objective by channeling industrial, residential, and other development.

Rhode Island has chosen a policy of centralization to achieve service efficiencies and maintain its open space and rural landscape. Its programs encourage compact development, infill and anti-sprawl.

Guiding Development

A Massachusetts statewide growth policy proposal [6], released in draft by the Office of State Planning in October 1975, concludes that the State itself is a major contributor to costly and inefficient development. The paper analyzes the impact of state investment in such major facilities as schools, housing, highways, and wastewater treatment plants. It finds that fringe rather than central development is encouraged, causing energy inefficiency, land waste, and deterioration of established communities. Its proposals would bring state investment policy in line with a growth policy strengthening existing population centers.

Vermont's Capability and Development Plan [7], adopted by the General Assembly in 1973, is explicit in favoring a settlement pattern based on "cluster planning and new community planning to economize on the costs of roads, utilities and land usage." The plan calls for allocation of growth according to the existing size of communities and the ability of communities to provide services. It is being implemented through the state's development permit system, its ten-year transportation plan and state capital investment planning.

Colorado's policy would limit urban sprawl and encourage the creation of new satellite cities linked by mass transit systems to existing metropolitan centers. It would also seek the establishment of growth centers to revitalize declining rural areas. Oregon's 1974 legislation articulating goals to be incorporated in local plans requires the establishment of Urban Growth Boundaries to discourage sprawl and the conversion of agricultural land.[8]

Conserving Energy

The Florida Legislature's growth policy suggests that in that State the growth of energy consumption should be controlled by the long range availability of energy. Colorado is willing to make its energy resources available to the Nation, but not at the cost of degrading Colorado's environment or exhausting its water supplies. The energy conservation criteria of the Vermont state plan are applied under the state's development permit system.

Although not a specific component of comprehensive state growth policies for each of the states concerned, 10 western governors have issued a joint energy policy statement that declares: "Energy conservation must not be examined only as an alternative in gaining energy self-sufficiency, but rather as the cornerstone of each alternative examined." [9]

Environmental Impact

The Vermont Capability and Development Plan calls for selective economic development based on "maximum economic benefit with minimal environmental impact." Protection of air and water quality is an element in virtually all state growth policy statements. Conservation of open space and protection of natural and scenic resources is similarly a common component of state policies. The Oregon Statewide Planning Goals and Guidelines requires that in local plans "programs shall be provided that will: (1) ensure open space, (2) protect scenic and historic areas and natural resources for future generations, and (3) promote healthy and visually attractive environments in harmony with the natural landscape character." The land use policies of Idaho and Vermont include the protection of wildlife and wildlife habitat.

Strengthened Local Government

Local governments and regional councils of local governments are regarded by most states as the first line of growth policy implementation, with many states recognizing that their own state development and capital investment policies have to reinforce, not undermine, local efforts to achieve state goals.

The citizens of the State of Washington, through the Alternatives program, expressed the desire not for more government, but for better government. The Colorado growth policies draft calls for maximum citizen involvement in governmental decision making a decentralization of state government. The Florida Legislature proposed that its growth policy be implemented through modernizing and strengthening local governments and through providing incentives for growth management, technical assistance in support of growth management strategies, financial resources, and policy guidance. If local governments fail to accomplish the Legislature's planning goals, state government would have to carry out planning programs for them. In Oregon, state goals have the force of regulations to be carried out by local units of government.

State Government

This selection of growth policy illustrations is representative of the themes and concepts that are common to most of the states' development policy positions as they have been adopted or are under current consideration. One third of the states have completed a development plan, comprehensive growth policy, or guidelines for growth management. An additional nineteen states have established commissions or processes for articulating state goals and objectives.[10]

The translation from policy to legislation to program, and the carrying out of programs to achieve the declared objectives, is the challenge that will test state management. While state attitudes and strategies are diverse, there are denominators that are increasingly common among them: the recognition of interdependency of state, local, and federal governments; the commitment to improving the capability and effectiveness of state and local governments, and the obligation to act positively to anticipate and prepare for change. States are striving to improve their capacity to operate rationally in the intricate intergovernmental web of jurisdictional and fiscal relationships.

Many of the aspirations expressed in growth policies are beyond the reach of state government which must function in an economic, social, and political climate dominated by national institutions and forces. The current economic situation and political climate portend an era of imposed financial restraint that will force states to be rigorous in program selection and management. The need to set priorities will require a careful reconsideration of goals and purposes. To be efficient and effective, states will have to improve their planning and coordination processes. In particular, the ability to anticipate and prepare responses to future possible events, and the ability to evaluate future consequences of current events, programs, and policies, will have to be developed to a much higher degree of sophistication than is now common to most states.

Footnotes

1. *Op. cit.*, "Washington Asks its Citizens."
2. State of Hawaii Selected Growth Policies Plan, March 1975.
3. State Comprehensive Development Plan, South Dakota State Planning Commission.
4. Colorado Growth Policies (Draft), July 1975.
5. Initial Land Use Policies for the State of Idaho (Preliminary Draft), Division of Budget, Policy Planning and Coordination, December 1974.
6. Land Use Reports, November 3, 1975, "Massachusetts Proposes Statewide Growth Policy."
7. Implementation Guidelines, Executive Order #2, State Planning Office, February 1975.
8. Statewide Planning Goals and Guidelines, Oregon Land Conservation and Development Commission, December 1974.
9. *Energy Development in the Rocky Mountain Region: Goals and Concerns*, Federation of Rocky Mountain States, Inc., July 1975.
10. Table XII, page 45.

V. Implications for State-Federal Relations

Interdependence

Growth for growth's sake and bigness for the sake of bigness are discredited concepts. States seek planned and controlled growth consistent with quality of life objectives. They recognize the interdependent nature of the national governmental mosaic probably better than it is recognized either at the federal or local levels. They seek a partnership of local, state, and Federal government united by an overall national policy that will clarify responsibilities at each level of government and assure that within each level there is an internal consistency of purpose and program.

Through effective policy and planning coordination, states have the potential to significantly influence the location and timing of growth, but they are inhibited by the lack of coherent federal planning and program administration. Federal-state-local interdependence not only needs to be recognized, but the mechanisms of coordination need substantial improvement. Where states are the instrument for the achievement of national goals, they must be provided the resources necessary to develop prerequisite planning and management ability.

Federal Policy Impact

The energy crisis has brought into sharp focus the problems created for states when the Federal government establishes emergency policies and programs to deal with an issue of national scope, but one that sharply affects the States. Governor Lamm of Colorado defines the problem for the Rocky Mountain region:

> We are understandably worried about the decisions now being made in Washington with little or no consultation by the states involved.
>
> For these decisions, new towns will spring up, old towns will die, immense amounts of our already limited water will be diverted to energy; existing economies like agriculture will likely suffer grievous loss. Trout streams, long favorites of our citizens, will dry up and small rural counties will soon become large urbanized counties.
>
> Immense new taxpayer improvements will be required: new schools, new sewer systems, new roads systems. A recent estimate warned that it would cost $12,400 per worker to provide merely the necessary municipal services.[1]

The states seek to be considered and consulted before decisions are taken that will have short term impact and long term consequences for them. They want the diversity of the states to be taken into account in federal policy making. As expressed by the Nation's governors in their 1975 policy statement:

> The genius of our federal system is in the dynamic interplay it nurtures between the Federal government and the states. The creative function of the states must not be stifled by preemptive federal legislation. Rigid uniformity denies innovation. The frontier areas of policy and program require multiple approaches with careful evaluation and the sharing of the results. States know their own traditions and the dynamics of their own societies and economies. Respect for diversity and a willingness to compromise remain crucial ingredients of effective national policy and program.[2]

State Policy Positions

State governors speak collectively through the National Governors' Conference and state legislators through the National Conference of State Legislatures. Both groups annually adopt policy positions, the governors' tending to be broad in scope, although accompanied by categorical proposals for action, and the legislators more directly addressing specific issues. The 1975 statements for both groups argue for a definition of national growth objectives.

The National Conference of State Legislatures at its October 1975 meeting adopted the following policies among many addressing aspects of national growth policy:

> A national community growth policy should be developed by the appropriate public and private interest groups in concert with Federal, state and local governmental agencies.
>
> Federal agencies currently empowered to undertake growth policy analyses should more extensively develop the mechanisms by which these authorized functions are carried out.
>
> The President should direct all appropriate Federal agencies to expand the national growth studies and analyses which are so vital for future socioeconomic and political decisions.
>
> The role of state legislatures should be recog-

nized in any federal growth policy planning process.[3]

The Governors, in June 1975, adopted policy positions in the areas of the economy, transportation, energy, the environment, community development, and intergovernmental cooperation that, taken together, constitute a comprehensive statement of their responses to dominant domestic issues and their proposals for a national growth and development policy.

The following declarations are a greatly condensed summary of the collective voice of the Nation's governors:

National Economy

The condition of the national economy has direct and significant impact upon state governments and our citizens. The costs of state government operations, effectiveness of ongoing programs and pressures for creation of new programs are directly linked to economic decisions at the national level.

The National Governors' Conference further supports maintenance rather than reduction of federal matching support for essential public programs in order to alleviate rather than increase the burden on state and local government budget requirements.

National Economic Development

The nation's Governors believe . . . that any national development legislation should provide for the following elements:

A. Improved state and local program management capabilities and authorities, with appropriate and significant involvement in the development of policy for and the administration of federal grants and programs;

B. Continuation and strengthening of multi-state and sub-state cooperative arrangements, with appropriate federal, state, and local participation and with adequate transition time to implement subsequent legislative changes;

C. Maximum flexibility in the planning and program activities of state, multi-state and sub-state entities, including provisions for development projects involving states not within the same multi-state entity;

D. Provisions for concentrating available resources on selected priority goals in each area to achieve balanced urban and rural development and the revitalization of lagging areas;

E. A. funding level for all multi-state regions adequate to provide a significant development impact; and

F. To the extent possible, federal regional administrative and program boundaries should be *consistent with multi-state arrangements which* may be established by states.

National Agricultural Development

There should be a National Agricultural Development Policy or a National Food Policy to assure the nation it can feed itself and meet its responsibilities to other people in the world. Such a policy should reflect the importance of and a system for the preservation and maintenance of agricultural land for future supplies and as a necessary habitat for wildlife, water resources and hunting and fishing, all of which are a necessary part of providing a quality environment in consonance with a population growth and distribution policy. Further, this policy should focus attention on improving agricultural production capabilities, transportation, foreign market development, processing agricultural products near the source of production and efforts aimed at developing rural America.

Transportation Planning and Development

The Governors urge the Department of Transportation to develop and effectuate an integrated National Transportation Policy—through consultation with the States—for the guidance of the States in the accomplishment of national goals. Such a policy—based upon the data inputs contained in the National Transportation Need Study, the National Transportation Study, and subsequent national transportation studies by the Department of Transportation and the States—should be used for setting continuing priorities in the National Transportation Policy.

National Population Growth and Distribution Policy

There should be a National Population Growth and Distribution Policy, developed in concert with state and local planning policies, to lessen the congestion, and reduce pressure, on the already overburdened resources of our cities, to offer opportunities for the free movement of all our citizens to realize their *maximum personal potential, to match manpower* and job training programs with the needs for community development, and to lessen the problems of transportation, environmental decay and social service delivery that are not being adequately dealt with for today's population. Such a policy should be consonant with a rural-urban balance of needs and regional potentials.

Natural Resources and Environmental Management

The nation's Governors believe that national goals must be established for protection of the environment and for energy availability. These must be joint goals because of inevitable trade-offs. The quest is for a reasonable and responsible balance between benefits and costs.

National energy policy, if it is to have the vitality and acceptance critical to its success, must involve more than the Federal government. Other levels of government and private sector have an essential responsibility in this quest.

While short-term action is needed, we must, moreover, be guided by long-term planning and policies. Too often, short-term necessity lays the foundation of long-term policy. Planning for energy and environment must be long range. We must think in terms of decades, not seasons. In the quest for adequate energy supplies, there must be proper recognition of responsibilities to future generations to protect the quality of the environment and to conserve our nonreplaceable natural resources.

Energy Production and Supply

A long-range policy that encourages domestic self-sufficiency in the production of energy should be adopted and underlie our foreign and economic policy decisions as well as our basic research and development efforts.

State Land Use Planning

There is a need to face the issue of national and statewide land use planning and decision-making in this decade. The proliferating transportation systems, large-scale industrial and economic growth, conflicts in emerging patterns of land use, the fragmentation of governmental entities exercising land use powers, and the increased size, scale, and impact of private actions have created a situation in which land use management decisions of national, regional and statewide concern are being made on the basis of expediency, tradition, short-term economic considerations and other factors which are often unrelated to the real concerns of a sound land use policy.

There should be undertaken the development of a national policy, to be known as the National Land Use Policy, which shall incorporate environmental, economic, social, and other appropriate factors. Such policy shall serve as a guide in making specific decisions at the national level which affect the pattern of environmental and industrial growth and development on the federal lands, and shall provide a framework for development of interstate, state and local land use policy.

Comprehensive National Community Development

Congress and the Administration should develop a comprehensive National Community Development Policy. A National Community Development Policy should embrace the major areas and issues of concern for the quality of life within the United States. The most basic components for consideration in the formulation of this policy are policies relating to population growth and distribution and to economic development. Other components are policies relating to allocation of natural resources, agriculture, transportation, housing, human resources development, financing and administration—all established in a manner that will support policies concerning these two basic components.

A formulation and implementation of such national community development policies in coordination and consonance with state development policies is essential to achieve the objectives of balanced growth.

New Communities Development

In light of the peculiar combination of circumstances which have adversely affected new community development in the past few years—the current severe economic downturn which has had its most acute effects on the land development and housing industry generally, the failure to fund or implement most of the statutory authorities in the Federal new communities legislation, the termination of Federal housing and other community development grant programs at a critical point in the development of many new communities, and the extremely limited experience with the concept in the United States—it would be short-sighted to abandon a program with such potential long-term benefits because of past and current difficulties.

National Housing Policy

There should be a national housing policy to coordinate housing investment and construction programs with a national community development policy to carry out the social objectives of making a place for all social and economic groups, to take advantage of the environmental and efficiency advantages of such a policy, to provide needed governmental aids for supporting housing construction and marketing, with special support programs to assist those who cannot secure decent housing through normal channels, to make maximum use of new technologies, and to stimulate additional investment by private industry and home property owners, thus adding to the overall housing supply, and to insure the availability of sufficient long-term mortgage financing.[4]

A theme that runs through the detail of the Governors' positions and proposals is the appeal to the Federal government to correct the confusing, contradictory, duplicative, and overlapping mass of requirements and definitions in planning and program guidelines.[5] Although they applaud Federal efforts to improve the management of intergovernmental programs, they complain that the commitment and follow-through on implementation has been inconsistent and, in many cases, non-existent.

The other constantly reiterated demand of governors is that they be acknowledged as the chief policy makers and planners in their states and that their responsibility for coordination of all statewide and multi-jurisdictional substate planning be respected in intergovernmental program management. They understand and they ask that the Federal government recognize that the states are not "clients" or "customers" for national programs, but rather managers with delegated responsibility to carry out missions in pursuit of national purposes. The states seek partnership, and they seek a comprehensive definition of national goals and objectives.

Harbingers of a National Growth Policy

Both conceptual and institutional gaps remain in achieving an informed and informing growth policy. Local governments have experimented with new techniques for guiding development and improving services. States have demonstrated an increased willingness and capacity to deal with the broad spectrum of growth issues. A national consensus appears to have emerged on future directions in energy, the economy, quality of life and responsive government.

The process for developing future national goals and growth policies must reflect this new body of experience. While important beginnings have been made in the national growth reporting process, much more needs to be done. An ongoing program of national growth research should be initiated immediately upon completion of the 1976 report. Such a program of continuing research could provide a basis for a more informed national dialogue on critical issues of local, state and national concern and the ultimate development of a comprehensive growth policy. The following elements should be included in that process:

- Establish an on-going information base and indicators of growth and change to be used for both descriptive and analytic purposes.
- Develop systematic methods for assessing impacts of federal programs as they relate to inter-functional and inter-governmental location and distribution, performance capability, resource conservation, and citizen expectations.
- Consider Federal policies dealing with responsibility transfer, resource transfer, taxation, and spending in light of the effects they will have on state governments.
- Investigate specific strategies that may help shape growth such as public investment planning, taxation of land, and water quality regulation as means of affecting private sector locational decisions.
- Provide a variety of public forums for discussion and involvement in growth policy development.
- Consider local government activities as an integral part of state growth policies and responsibility.
- Include states as an integral element in any future national growth report as a partner in the Federal system.
- As the governors have suggested, a national growth policy should include:
    1) Growth in employment opportunities
    2) Long-range energy policy
    3) National housing policy
    4) National community development policy
    5) New communities policy
    6) Population growth and distribution policy
    7) Priority goals for balanced urban and rural development
    8) Goals for protection of the environment
    9) National land use policy
    10) Agricultural development and food policy
    11) Integrated transportation policy

Footnotes

1. *Op. cit.*, "Energy Development and the Worried West."
2. *Op. cit., Policy Positions 1975—76.*
3. Proposed Policy Positions, National Conference of State Legislatures, September 1975 (adopted October 10, 1975).
4. *Op. cit., Policy Positions 1975—76.*
5. *Ibid.*

VI. Case Studies

Among the materials developed for this state reconnaissance report were three case studies prepared by Leonard Wilson. The purpose of these studies is to provide a description of how a few selected individual states and groups of states address problems of growth.

The case studies clearly demonstrate the authority and mechanisms now employed by specific states to develop and implement growth policy. They also show the pivotal roles states can assume in the management of growth.

DEVELOPING REGIONAL ECONOMIC POLICY IN NEW ENGLAND

Economic Troubles

In November, 1975, unemployment among the New England states average 11.7 percent. The national average was 8.3 percent.[1] Since the 1970–71 recession, regional unemployment has been 26 percent higher than the national average.[2]

In the year following the 1973 Arab oil embargo, New England's energy bill rose 139 percent.[3] Because of the region's lack of indigenous energy resources, it is highly dependent on petroleum, most of it imported. In 1974, 88 percent of New England's oil came from foreign sources while the country as a whole was dependent on imports for 35 percent of its supply.[4]

In addition to the nation's highest power costs, the region's business must contend with higher than average construction costs, land prices and taxes. New England's rail transportation system is in constant financial and operational difficulty. The cost of living is higher than anywhere else in the United States except Hawaii and Alaska.[5]

The Commission's Task Force on Capital and Labor Markets told the New England governors in November, 1975:

> New England's current economic problems date back several decades. The national economy grew rapidly in the early 1950's, but New England slipped into the rut of economic maturity as the region's historically vital industries migrated southward in search of cheap and unorganized labor... [N]ew problems resulting from defense and NASA cut backs emerged in the late 1960s... [T]he economic outlook is far less encouraging now than it was two decades ago.... The spectacular recovery in the late 1950s and 1960s—partially financed through government spending for defense and NASA, and strengthened by a vigorously growing private national economy—is not likely to be repeated in the late 1970s and early 1980s. Furthermore, the momentum of national market forces is inducing rapid growth in other regions, especially in the South, Southwest and West.[6]

The Task Force followed its gloomy economic prognosis with an optimistic declaration:

> While most agree that New England's stake in future national growth is not as clear as it was two decades ago, building an economically healthy and environmentally acceptable region is not beyond the reach of prudent economic policy.[7]

The report called on the region's elected officials to provide leadership in bringing government, labor, business and finance together in a collaborative process "to convert the troublesome problems of our economic maturity into prosperity. . . ."[8] In fact, that collaborative process had been set in motion by the establishment of the Task Force, with membership from commerce and labor, by the New England Regional Commission (NERCOM). The study group's work was one aspect of the program of NERCOM whose objective is "to provide an effective, enduring response to the critical problems affecting the six-state area in order to enhance New England's economy and make it competitive with other regions."[9]

Federal-State Partnership

The New England Regional Commission was established in March, 1967, by the Secretary of Commerce at the request of the New England Governors. The Public Works and Economic Development Act of 1965 had provided for the creation of regional development planning organizations in designated economic development regions as a joint Federal-state enterprise. The commissions were to be made up of the governors of the member states—one of which would be elected state co-chairman—and a Federal co-chairman to be appointed by the President.

The Commissions were to develop long-range economic development plans and specific action programs to achieve their plans' objectives. Inherent in the design of the program was the assumption of substantial Federal funding for projects. The Act established as national policy "the purpose of achieving a closer inter-regional economic parity throughout the country." [10]

For the first nine years of its existence, the NERCOM annual program budgets averaged about $7 million, far short of the amount of investment required to make any significant impact on the regional economy. No large-scale projects, such as the regional highway network built by the heavily funded Appalacian Regional Commission, have been possible.

The bulk of Commission funding has been allocated to research planning and demonstration projects, and to management grants to the states for executive office and planning staff support. Over the years, projects have been, for the most part, selected through a negotiation process that has tended to emphasize state rather than regional concerns and priorities. On the other hand, the Comission staff has had difficulty identifying projects of truly economic significance to the region that could be funded with the limited resources available.

A Revised Strategy

In September 1973, the Commission decided to reorganize its activities to concentrate on three areas believed to be of greatest importance to the region: business development, energy, and transportation. A resolution was adopted that called for a work program that represented a balance between projects dealing with immediate crisis conditions and projects designed to further diversify the region's economic base, expand employment and assist in supplying energy and transportation services requisite to economic development. [11]

The resolution also established criteria by which project proposals were to be judged which, in summary, said that before approving a proposal the Commission should find that the project would meet the following tests:

1. Have a definite regional dimension, that is, approach a multi-state problem;
2. Show strong prospects to making a significant contribution to the economic development of the region;
3. Respect the Commission's commitment to preserving and enhancing environmental quality;
4. Avoid duplication of efforts appropriate to other agencies; promise benefits justifying costs, and be responsibly managed.[12]

In addition to the implied admission that such criteria had not been rigorously applied in he past, the Commissions' action signified the Governors' determination to respond to charges in the press that the Commission was a "boondoggle" and to overcome efforts by the Federal administration to eliminate all the regional commissions.

The Energy Crisis

Shortly after the new strategy was adopted, the Arab oil embargo changed the status of the regional energy situation from a longer range problem to an immediate crisis condition. The Commission had already created the New England Energy Policy Staff, which, since 1971, had been doing technical, economic and environmental studies. Under its September 1973 reorganization, the Commission absorbed the study group into an expanded energy program. The long-term goal of the program was an assured and adequate supply of energy at costs that would support economic development sufficient to maintain New England in a balanced economic position in relation to other regions of the country.

In the short term, the six member states were faced with serious shortages, fluctuating supplies and prices, and hastily developed Federal policies and programs. To help the states, the Commission launched a variety of projects in response to the immediate crisis. An energy conservation study provided state governments with practical methods of achieving significant reductions in energy use. Gas rationing strategies were evaluated. Emergency procedures and contingency plans were developed to protect energy-dependent industries and prepare for an anticipated 30 percent shortage of fuel for electricity generation. The economic and environmental impacts of oil-to-coal conversion for utilities were analyzed, and a Federal-state task force on fuel conversion and air quality created. The causes of rising electricity rates were studied and short and long term actions to moderate increases proposed.

Facing the certainty of continuing major energy problems, the Commission initiated two efforts addressing long-range needs. In June, 1974, the New England governors met with the premiers of Quebec and the Maritime Provinces of Canada in search of areas of mutual interest and opportunities for cooperation in energy production and technology transfer. The resulting agreement committed the parties to a continuing dialogue and reciprocal support. The other long-range program area focussed on policy issues bearing on regional energy supplies and costs. Studies were initiated to develop an understanding and data base in the areas of demand, prices, supply, regional production potential, and legal and institutional problems. With the objective of developing a regional approach to development and siting of energy producing and distributing facilities, the Commission made an inventory and analysis of existing and potential oil refinery sites, deep water ports, and power plants, and studies of operating petroleum product distribution systems.

To complement the regional effort, NERCOM allocated funds to each member state to support energy planning, policy development, and allocation activities. Through funding of state energy offices, and providing technical assistance to their staffs, the Commission intended to develop competence within state governments in managing energy resources, allocating scarce supplies, developing data and dealing with the private sector and the Federal government.

Out of these intitial projects have evolved a series of increasingly sophisticated energy policy and planning projects. In 1975, the New England Energy Management Information System (NEEMIS) was created to provide information, by state, on petroleum supplies, storage capacity, and related matters relevant to fuel allocation programs. A regional energy industry development project is concerned with the problems and opportunities related to outer continental shelf exploitation, new refinery construction, deep water port development, and other efforts to increase indigenous energy production. Projects continue that provide the states and the region with management and information assistance and the capacity to evaluate the implications of Federal energy policies.

In November, 1975, the Commission adopted a comprehensive energy policy statement covering, in detail, conservation, nuclear power, outer continental shelf development, coal conversion, indigenous resource development and research in new energy sources such as solar and solid waste recovery. The declaration appeals for Federal action to provide short term relief from high energy prices to provide development capital. While affirming "the imperative of pursuing all possible sources of energy," [13] the policy pledges continuing efforts in energy conservation and environmental protection. Interdependence is the theme of the concluding section of the declaration:

> The New England Region recognizes the regional and national imperatives which address the issues of its economic viability and its land use patterns, as well as its quality of life. The Region further recognizes that its declaration of principles cannot be achieved without the full cooperation of the national government. As individual states, as the regional entity of New England, and as part of our nation's Federal system, we recognize the different roles we must play and the different stewardships we must discharge.... The commonality of energy as a fundamental base of our society, be it the State, the Region, or the Nation, is inescapable. The responsibilities which we hold separately as well as collectively require action in concert as as well as in variation within a central theme. To address the energy issue jointly, to act collectively in the pursuit of its solution—this is the affirmation of the New England Region.[14]

The Transportation Program

As in the case of energy, crisis dictated the need for priority NERCOM attention to New England transportation problems. The Boston and Maine Railroad had gone bankrupt in 1971 and the region's entire rail system was steadily deteriorating, physically and financially. With the passage of the Regional Rail Reorganization Act of 1973, the Congress had signalled a predominant Federal role in the restructuring, under public management, of the generally ailing eastern railroads. In considering NERCOM program reorganization in September, 1973, the New England governors recognized the urgent need for achieving a collective understanding and competence in rail and related transportation matters to assure that regional interests and concerns were considered in Federal policy formation.

In developing a transportation program, the Commission regarded transportation as an element in the overall regional economic structure rather than as a separate sector of the economy. The goal of the program was to improve the efficiency and reduce the cost of all forms of transportation as part of a comprehensive economic development strategy. A more balanced and integrated regional transportation network was seen as necessary to support business development and energy conservation efforts. The program was charged with "promoting comprehensive and balanced planning for transportation within the region, and providing the states with the necessary expertise for specific projects. . . .[15]

As a first step, the New England Rail Planning Office (NERPO)—an adjunct of the New England Governors' Conference operated on NERCOM funds—was abolished, and its staff was brought into the Commission. The group continued its concentration on the Boston and Maine Railroad failure, developing an economic model of the system and its relationship to the local economies in the communities it served. Conclusions from this study formed the basis for recommendations on restructuring the system made before the U.S. District Court in March, 1974. This experience encouraged the Commission to undertake the planning responsibilities and other activities required by the 1973 Regional Rail Reorganization Act.

In addition to assuming leadership in developing a regional policy position in rail system reorganization, the Commission provided grants to the member states for the preparation of the detailed state rail plans which the 1973 Act required but for which it provided no funds. Special funding was given to Vermont to assist in the management of a railroad which that state had acquired in 1973 to assure continued service to an economically depressed area. Another project coordinated state planning for the Northeast Corridor High-Speed Rail Passenger System and prepared a regional position on this proposed Washington-to-Boston service.

In 1975, an intermodal goods movement study was started; its objective was to determine what improvements in efficiency could be accomplished by state intervention in the form of facilitites construction or legislative revision. Demonstration projects were undertaken in one state to design an intermodal passenger terminal and in another to test an air feeder service with bus connections. Both projects were described to stimulate the economies of areas experiencing high unemployment rates. Support was provided for a nonprofit organization to argue before the Interstate Commerce Commission the allegation that rates on shipping feed grains discriminated against New England.

Commercial and Industrial Development

"Economic revitalization of New England is essential to mitigate the increasing trend toward severe regional disparities," says the NERCOM Annual Report for 1974.[16] This theme underlies all Commission thinking, reflecting regional concern with an economic position that is declining in relation to other national areas. The Report states:

> New England, once among the nation's most prosperous and productive regions, has witnessed in the last half century the decline of its manufacturing, trade, transportation and agricultural base.
>
> The causes are many, largely external, but the result has at times bordered on the critical: employment, manufacturing output and an economy chronically below the national average. The sometimes negative economic growth has served to dissuade new industries from locating in the six states and to foreclose new markets for New England products.[17]

The economic problems of the region have intensified as the decade of the seventies has progressed. The national economic slump of the mid-seventies has been, for many parts of New England, close to a full scale depression. While the Governors and the Commission staff have been able to devise policies and projects of regional significance in response to energy and transportation issues, the magnitude of the overall economic problem is such that no programs designed within the confines of a $7.5 million budget can be expected to have an appreciable regional economic impact. In recognition of this reality, the Commission adopted in 1974, and pursued through 1975, a commercial and industrial development strategy "of regional scope" that consisted of an array of individual projects intended to be catalytic in the region's development.[18]

In search of new sources of capital investment, and new markets for New England products, the Commission established an office in the New York World Trade Center in 1974 and contemplated the opening of an overseas office in Brussels in early 1976. To revive a traditional industry of continuing strong potential, a fisheries program was designed with elements directed to improving industry organization, to marketing underutilized species and to develop new fishing and processing opportunities and techniques. Another project initiated a manufactures' clearinghouse to identify and match, within the region, available production machine capacity with orders currently being filled by firms outside the region.

The largest single spending program in the 1975 fiscal year was the division, among the six states, of $1.2 million which the Commission committed to accelerating the spending of Federal water pollution funds released from impoundment in 1974. The NERCOM ' "leverage" funds were made available for facilities planning and design, providing the required local matching funds, and such other purposes that would facilitate the start of construction and, thus, the creation of employment in a $37 million regional Public Works Program.

A variety of projects were undertaken to assist in meeting specific needs of individual states such as the abatement of whey pollution through the development of a whey processing industry for Vermont; the modernization of the Port of Portland for Maine; action in response to emergency economic dislocation caused by military base closings in Rhode Island and Massachusetts. Maine, New Hampshire and Vermont got special funds for tourism promotion. Connecticut developed a pilot program to improve centralized statewide governmental telecommunications.

Several NERCOM programs provide direct assistance to communities in the region to support economic development projects. Four experimental Community Development Corporations (CDCs) have been established to create economic self-help capability for low-income groups. In a program that began in 1971, an urban area in each of the six states was selected for its potential as a "growth center," and provided funding for community and industrial development activities. The program was being phased out in the mid-seventies, apparently because the results were not sufficiently dramatic to justify extended funding for a few selected communities.

Regional Planning

Under the Act establishing the Commission, NERCOM is obliged to prepare a comprehensive long range development plan. Such a plan was completed in October 1972. In anticipation of requirements expected in a 1975 extension of the Act, and because of the changing economic climate and program emphasis of the Commission, a revision of the original plan was drafted in the fall of 1975.

The 1972 plan document ran 650 pages plus several appendices. It contained an extensive economic analysis of New England and set forth the Commission's program in detail. Several years in preparation, it was considered in many respects already outdated on publication. Unexpectedly high inflation and unemployment rates made the Plan's projections obsolete. Moreover, when the Governors reorganized the NERCOM program in 1973, they eliminated activities in many areas addressed by the Plan while adopting new priorities—particularly relating to energy—to meet problems unforeseen by the Plan.

The Commission staff embarked on the Plan revision determined not to repeat the mistakes made in the development of the original document. Instead of the extensive use of consultants, the revision would be written by the staff and a committee of state representatives. The document would be produced in six months or less. It would be brief enough to invite readership. Its horizon would be relatively short term. In recognition that by far the greatest amount of economic program activity would be carried out by the separate states, it would have state chapters in both the analysis and program sections. The process, in fact, invited each of the member states to set forth state problems, prospects and proposals, and then to find roles for the Commission that complemented state development objectives and activities.

Work on the plan revision was initiated in September, 1975. A first draft was circulated to the committee of state representatives in December. A substantial condensation and revision was started as the new year began. The document that would emerge would analyze the regional and state economies, discuss the NERCOM program to stimulate economic recovery and growth, and identify programs and projects of the six states for which funding by the Commission was proposed.

While the plan revision was being done, the Task Force on Capital and Labor Markets completed its work and issued its report. The committee had been established by the Commission in April 1975 in response to an offer of cooperation from the private sector. Each of the member state governors appointed three members representing business, banking and organized labor. Their charge was to recommend policies to attack the regions' capital and labor market problems. In an experiment without precedent, leaders from the commercial and labor sectors would cooperatively explore the relationship between unacceptable unemployment rates and capital limitations to regional growth. Their report was presented to the Governors in November, 1975.

The group declared that, in the process of their deliberations, a philosophy had evolved that united the key interest groups:

> The Task Force strongly believes that these different interests have more in common than is usually acknowledged; namely, that by failing to work together to reach common goals, all interests can lose together.
>
> As work proceeded, a distinct approach to these two New England economic policy issues emerged from the Task Force process. . . . It can be best described as a commitment to realism. . . [T]he new policy options to make labor and capital markets functions more smoothly rest heavily upon minimizing existing frictions and obstacles that prevent their orderly interaction with the other sectors of the New England and national economies. This emphasis is important because it recognizes the imperative need to first clear away these structural impediments before any more sweeping policy options can be considered.[19]

The report made twelve specific recommendations. In relation to capital markets, the most significant innovation was the proposed creation of a privately financed regional fund—the New England Capital Corporation—to supply ten to twenty year debt capital to established and growing companies. A regional municipal bond bank and a new product development corporation were other suggestions. The report urged a public information program to develop more positive attitudes toward economic growth.

To make labor markets function better, the report proposed a series of steps to identify and predict needs, and to recruit and train workers to fill these needs. Included was a loan program to attract workers into critically short occupations, greater coordination of the employment security agencies of the six states, and systematic advice to the region's vocational and technical schools on emerging occupational opportunities.

In its concluding remarks, the Task Force called for greater harmonization of economic policies among the six states, commenting:

> One of the most surprising outcomes of the Task Force process was the realization of how little is known about the common governmental, business and labor practices among the New England states. Specifically, there seemed to be an alarming level of noncommunication among key public sector officials who are mandated to implement

highly complementary policies that spill over into their neighboring states... [P]rudent and efficient economic policy rests heavily on the establishment of an effective interstate dialogue among public officials as well as between the public and private sectors.[20]

Problems and Prospects

The appeal of the Task Force for better interstate communication and coordination in matters of economic policy both emphasizes the need for a regional intergovernmental economic organization, and the limited success, in this role, of the New England Regional Commission. As the Commission digested the recommendations of the study group, it remained to be seen how the current and prospective budgets might be reshaped to recognize new objectives and start new programs consistent with the advisors' vision of the road to harmonization and revitalization of the regional economy.

The Commission faced very real difficulties in contemplating new roles and responsibilities. With the fiscal year half over, the level of funding was still uncertain. The program for FY 1976 had been based on an anticipated $5.9 million Federal appropriation. A funding level that would mean an additional $1.8 million was approved by the Congress and the President in December.

For six states whose combined FY 1974 expenditures totalled $8.3 billion, even the larger sum could not be regarded as a significant contribution to attacking the basic economic problems of the region. The Governors and the Commission staff could not consider this range of funding to be an incentive for serious planning for the kind of massive public works investments that might cause the structural changes needed to restore the region's competitive edge in manufacturing.

The Governors have recognized the need for such planning, even within the framework of currently anticipated appropriations. Governor Michael Dukakis of Massachusetts, who became state co-chairman in December, 1975, had declared at a Commission meeting the previous July:

> Now I don't know what the nature of such regional public works ought to be, but I personally am not very happy with the idea that we simply take a big piece of pork and divide it up six ways.... [I]f we are now looking down the road to something more expansive, I would hope, Mr. Chairman, the staff will begin to look at the public works side of our activity in a truly regional sense with special emphasis on energy, on transportation, and on economic development, and not look on that part as being something to be divided six ways, for whatever purpose we'd like to use it for.[21]

A response received by Governor Dukakis illustrates another serious problem of the Commission: not all its members are in agreement on expanding its activity. Governor Meldrin Thompson of New Hampshire answered: "I, for one, am opposed to any additional money for the New England Regional Commission.... I just think it is very unfortunate in these times for us to be thinking that this money is coming off of some Christmas tree in Washington, when in fact it is coming out of our taxpayers' pocketbook." [22] The New Hampshire governor has often been joined by Governor James Longley of Maine in questioning the structure, function and politics of the Commission.

Division among the governors over the role and organization of the Commission, it's constantly uncertain life expectancy and consequent short run planning perspective, and the disparity between its mission and its resources, limits the extent of accomplishment that can be expected from NERCOM. Nevertheless, the organization can point to significant achievements. The six governors meet regularly—if occasionally acrimoniously—to consider regional problems. They have spoken in a reasonably unified voice on national energy and transportation issues. They have initiated interregional cooperation with Eastern Canada in both areas. Strong institutional support from the NERCOM staff has provided the Commission with a sound technical basis for policies in these areas.

Communities throughout the region have benefited from development projects. Programs have focused on specific problems of the separate states with fruitful results. The state management grants and energy office support have provided governors with needed additional executive capacity. Staff research has added substantially to the recognition of regional needs and opportunities. Real, if modest, achievements have been made in job creation: the staff identifies 904 jobs directly generated by NERCOM programs from 1972 through 1974 and estimates an additional 1,225 jobs generated in 1974.[23]

As 1975 state co-chairman Governor Thomas Salmon of Vermont passed the gavel to his successor, he spoke in recognition of both the strengths and weaknesses of the Commission. After summarizing the year's accomplishments, the Governor said:

> These projects demonstrate more than any words of mine that regionalism is alive and well in New England. With your continued commitment our region can become a stronger voice in the national decision-making process and each of our states can reap the benefit of a coordinated approach to interstate problems....

The Federal-state partnership contemplated by the regional commission mechanism presents unique operations and management problems. To date, the state members have failed to give these problems the attention they deserve. Our primary focus during the last eight years has been on the development of a true commitment to regionalism. We have emphasized the creation of a cooperative working relationship, the identification of priority areas for regional decision making, the implementation of articulated regional policy. The Federal and State Co-chairman were left to cope with the day to day management and operation of the Commission.

If NERCOM is to continue to grow and improve as a regional tool, all Commission members must be aware of and responsive to the need for an established operational and administrative procedure. That procedure should be designed to foster a regional approach in the area of program implementation that is more responsive to articulated regional policy decisions. Primary emphasis should be placed on the generation and funding of programs and demonstration projects which are capable of direct regional impact. Individual state programs should be de-emphasized. Only by taking this next step in NERCOM's maturation process can we expand its role in New England and its funding level.

It is my recommendation that this goal be given priority by the Governors and the Federal Co-chairman during the next year.[24]

Footnotes

1. New England Economic Indicators, Federal Reserve Bank of Boston, January, 1976.
2. "Prospect for New England," report on a conference at the Woodrow Wilson International Center for Scholars, October 7, 1974 (Overview paper by Neal R. Pierce).
3. *Ibid.*
4. Annual Report, Fiscal Year 1974, New England Regional Commission.
5. *Op. Cit.*, "Prospects"
6. Report of the New England Regional Commission Task Force on Capital and Labor Markets, November 12, 1975.
7. *Ibid.*
8. *Ibid.*
9. *Opt. Cit.*, Annual Report.
10. *Multistate Regionalism*, Advisory Commission on Intergovernmental Relations, April 1972.
11. Resolution 72, New England Regional Commission, September 26, 1973.
12. *Ibid.*
13. "A New England Energy Policy," New England Regional Commission, November, 1975.
14. *Ibid.*
15. *Op. Cit.*, Annual Report.
16. *Ibid.*
17. *Ibid.*
18. *Ibid.*
19. *Op. Cit.*, Report of the New England Regional Commission Task Force.
20. *Ibid.*
21. *Ibid.*
22. *Ibid.*
23. Letter of May 2, 1975 from Linda Frankel, Director of Economic Development, NERCOM, to Sam Vitale, Office of the Lieutenant Governor, State of Massachusetts.
24. Remarks of Governor Thomas P. Salmon to the New England Regional Commission, Stowe, Vermont, December 19, 1975.

UTAH: MANAGING A GROWTH EXPLOSION

Utah's Energy Boom

Utah's official state motto is "industry." The state symbol is a bee hive. Seventy percent of Utah's population is Mormon, members of the missionary religion of the pioneer founders of what became the Nation's 45th State. They are committed to the protestant principle of creating the Kingdom of God on earth. This outlook is communitarian and optimistic. In the words of Dean Sterling McMurron of the University of Utah, "the will of the Church is to create the good community." [1]

Utah has immense and largely undeveloped energy resources. Because the availability of domestically produced energy is the paramount growth issue in America today, Utah, along with the other Rocky Mountain States, is being called upon to greatly accelerate its fossil fuel exploitation. Says Governor Calvin Rampton, "It is apparent to me that Utah's immediate future is largely going to be tied to the development of its energy resources. In the past, the United States has not urgently needed our coal, oil shale or tar sands. Instead, the country relied on its abundant and easily accessible supplies of domestic oil and gas, Eastern coal and, in recent years, imported oil. But recent events have made clear to all of us the problems inherent in excessive reliance on foreign energy, and have underscored the desirability of developing the United States' ample domestic resource base—thus the creation of a national strategy we now know as Project Independence." [2]

According to Governor Rampton, Utah has enough coal to satisfy the nation's needs for 150 years at present rates of consumption and, while it is deep coal costly to recover, it is of very high quality and averages only 0.5 percent sulphur content.[3] Reserves are estimated at 24 billion tons of which 15 billion are considered easily recoverable. In addition, Utah has 200-300 million barrels of oil and natural gas liquids, 250 to 400 billion cubic feet of natural gas, 26 billion barrels of oil in impregnated sandstone, 90-115 billion barrels of oil in oil shale and 18 million tons of uranium.[4]

In at least one of the four years between 1971 and 1974, 11 of Utah's 29 counties experienced unemployment rates above 10 percent. Seventy-two percent of the state's counties qualify for Federal designation as areas in economic distress. These are rural counties; the urban areas are relatively prosperous, experiencing growth and industrial expansion.[5]

The 1971 per capita income for urban Salt Lake County was $4,020. For twelve rural counties it was less than $2,500. Between 1960 and 1970, 13 rural counties declined in actual population. The state as a whole, while gaining population in the decade, had a net migration of 19 percent.[6]

Coal development alone has an estimated potential to create over 8,000 jobs by 1980, 12,000 by 1985, not including secondary and service jobs.[7] In the eight or nine counties where energy resources are most plentiful, population is sparse, unemployment is high and per capita income is low. For the people of Utah the equation is clear: the nation needs new sources of energy; Utah has the energy reserves; rural areas of the state need economic development.

Utah's leaders are aware of the potential adverse impacts of energy exploitation on communities and the physical environment. Governor Rampton warns that because the coal and oil deposits are, for the most part, remote from existing metropolitan areas, existing small towns are in danger of being overrun by rapid expansion; in many areas, whole new communities will have to be planned and built.[8] A current state energy policy report says: "Roosevelt, located in the center of the oil rich Uintah Basin, is one example of a town that has already boomed as a result of oil development. The increased population led to increased demands for facilities and services outstripping funds and resources of the city to provide them." [9] The community grew from 2,000 to over 5,000 population in less than three years.

In his 1975 State of the State message, Governor Rampton appealed for careful planning: "Without proper planning, economic development can despoil our land... Also, our planning must recognize that our expected economic development will result in population shifts, with the effect that totally rural areas will suddenly become populous, presenting a demand for new roads and streets, adequate water and sewage systems, new schools and community services. With sufficient lead time and adequate preparation, we can meet these challenges. But, if they descend on us suddenly, they could be overwhelming." [10]

The Governor's concern with the despoiling of the land is a repeated theme. He told a state economic development conference: "This effort to be energy independent must be coupled with the growing realization that our environment is already damaged and that we are on our way to ecological disaster if we continue to exploit our resources in an unplanned manner." [11] Utah's U.S. Senator Frank E. Moss, in a national television interview, urged his constituents to employ land use planning to prevent strip development and shanty towns. "We are very jealous of keeping our scenery, our air and our water pure," he said.[12]

Utah's scenery is dramatic, from the 13,000 foot peaks of the Uintas in the northeast to the eerie pink spires of Bryce Canyon and the monumental walls of

Zion Canyon in the southwest; from Great Salt Lake in the northwest to Lake Powell and Glen Canyon in the southeast. There are five national parks, five national monuments and two national recreation areas in the State. Vast areas of the state are wilderness or semi-wilderness. While the population density of Salt Lake County is 600 people per square mile, more than half the counties of the State have less than three people per square mile.[13]

A state land use planning statute was passed by the Legislature in 1974 with strong support from the Rampton Administration and local officials, but it was later soundly defeated in a public referendum. State Senator Carl Snow says its supporters were "overcome by issue distortion" in the public debate. He thinks that the Legislature is now "gun-shy" on the land use issue and the planning initiative rests with the executive and the substate planning districts.[14]

Water is the most critical environmental issue for Utah. The state probably does not have enough water to support all of its potential energy-related development. The demand for water for oil shale extraction, coal conversion and coal-fired electric generating facilities in the Colorado River Basin area is expected to reach 243,450 acre-feet per year in the near future. Utah has only 300,000 acre-feet of unused water allocation under the Colorado River Compact. The state engineer is currently reviewing applications for all purposes totaling more than 1,200,000 acre-feet of this water. In some counties, farms are being purchased to gain water rights for use in power generation.[15] Governor Rampton warns, "Our states (the Rocky Mountain States) do not have enough water to support all the energy related developments which our resources could attract... We must preserve our limited water resources for the culinary, agricultural and recreational use of the people in the towns and cities that will be experiencing tremendous growing pains as a result of the development and recovery of our energy resources. I do not want to see our rivers and creeks dry up from abuse and overuse." [16]

The State's effort to plan for energy development and resource conservation is complicated by the fact that the Federal government owns two-thirds of Utah's land, with federal land management principally divided among the Department of Interior's National Park Service and Bureau of Land Management and the Department of Agriculture's U.S. Forest Service. Each of these bureaucracies has its own guidelines for development and conservation. Their current land management plans have upset the legislature which feels that the federal agencies are trying to lock out activity that is vital to Utah's economy and the well-being of its citizens.[17]

"One wonders if a more demanding and serious set of policy decisions has ever confronted Utah government officials," says Governor Rampton. "Protection of the environment, the location and building of new towns and the booming growth of existing communities all confront our state and its subdivisions with problems that have not been previously experienced." [18] The Governor is frank: "So what do we do now? Common sense tells us we can't just call a halt to everything we are doing, as some militant groups would like us to. But cutting down on the use of energy...is absolutely imperative.... Unfortunately, what we know and what we do aren't necessarily the same thing.... It simply takes time to slow down the momentum of greater and greater energy use which has been building for the past 50 years.... So obviously, conservation cannot be the only answer. Another and necessary route open to us is developing new technologies to improve the usefulness and efficiency of the fuels we now have." [19]

Kaiparowits: Coal and Power

In the summer of 1975, the New York Times syndicated a feature article on the 3,000 megawatt, coal-fired electric plant and its supporting coal mining operations planned for the Kaiparowits Plateau in southwestern Utah. The article called the project the keystone of energy development for the Southwest, the first of five new power plants proposed for the lower half of Utah which would eventually produce 9,000 megawatts of electricity, seven times as much as now produced in all Utah. The Kaiparowits situation was characterized by the article as unique both because of the potential environmental impact and because of Utah's attitude toward it. "Utah appears to be welcoming Kaiparowits with open arms." [20]

Governor Rampton and his aides bristle when the article is mentioned, particularly for what they see as unfounded inferences to smog-obscured horizons, raped land and trailer camp boom towns, and of government indifference and inaction in the situation. The plant and mine operations will meet air quality standards, the Governor says. The new community related to the project will be carefully planned and located, both in relation to physical considerations and with concern for social and economic factors. The state and the region have a highly developed planning process bringing together the technical resources of the state and the human resources of the local governments and communities of the region.[21]

A four-company consortium plans to undertake the Kaiparowits project. Participants are Southern California Edison Co., San Diego Gas and Electric Co., Arizona Public Service Co. and Salt River Project. Twelve million tons of coal will be taken annually from four mines. A 1,460 mile 500 KV transmission system will deliver power to Arizona and Southern California. Limestone, needed in coal processing, will be mined in Garfield County northwest of the plant and brought in by truck over a new 67-mile highway. A new town will be built to house up to 15,000 workers and their families.[22]

The generating station will consist of four 750 megawatt steam turbine units. The operation will consume 41,400 square feet of Utah's allocation of Colorado River water supplied by a pump station on Lake Powell. Each generating unit will have a concrete stack 600 feet high. Electrostatic precipitators will remove particulate matter and scrubbers will remove sulfur dioxide. Ash and scrubber sludge will be dumped in a land fill. Waste heat will be disposed of by wet process cooling towers.[23]

The Kaiparowits Plateau is an area of roughly 40 square miles ranging from 5,000 to 6,000 feet in altitude. It is characterized by canyons and "benches" or small plateaus. The proposed plant site is about five miles northwest of the closest point of the border of the Glen Canyon National Recreation Area and ten from the nearest shore of Lake Powell. It is about 43 miles, as the crow flies, southeast of the canyon rim of Bryce National Park.

Most of the land is federally owned and under the jurisdiction of the Bureau of Land Management. Acquisition of parcels of this land by the companies through the state is proposed, and believed possible, but the process is complex.

The area of development lies mainly in Kane County, but the new highway will run north into Garfield County, bringing Bryce Valley communities into proximity of the operations. The combined population of the two counties was 5,578 in 1970. Their peak population was in 1940, when 7,814 residents were counted. Between 1950 and 1970, 3,062 people migrated out of the counties, 25 percent of the population. In 1971 the per capita income in Garfield was $2,700 and Kane $2,380 as compared to Salt Lake County's $4,020.[24]

The high estimate of the population impact of the Kaiparowits project on the two counties shows an increase of 13,500 by 1980 and 15,500 by 1990 resulting from 5,198 new jobs by 1980 and 6,716 jobs by 1990. This is only the Kaiparowits related increase. When the impact of all the projects that are proposed for the region is calculated, the 1990 combined population of the counties is projected at close to 60,000, a 12-fold increase in 15 years.[25] A more cautious state estimate puts the 1990 population at 42,000, more than an eight-fold increase.[26]

The magnitude of the project and its potential economic, social and environmental impact on the region has caused Federal, state and local concern for the decade since the proposal first surfaced as a serious possibility. Over the period, the companies moved ahead with their planning, dealing with the Kane County Commissioners, the Governor's office and various federal offices. It was not until mid-1974 that a body was created to "guide and coordinate activities related to energy development in Kane and Garfield Counties" in the words of Governor Rampton's Executive Order of August, 1974 creating the Kaiparowits Planning and Development Advisory Council (KPDC). The Kane County Commission had formally recommended the establishment of a coordinating body to the Governor. The concept grew out of discussions within the Five County Association of Governments to which both Kane and Garfield County Commissions belonged.[27]

The KPDC has a voting executive committee chaired by the Kane County Commission chairman and including a state senator and a member of the House of Representatives, both from the region, a Garfield County commissioner and a county commissioner from a neighboring county who represents the Five County Association of Governments. Non-voting members include local town and school officials of the two counties; state officials, including the State Planning Coordinator, Executive Director of the Department of Community Affairs and executives of the Departments of Highways, Natural Resources, Employment Security, Development Services and Social Services; representatives of Federal agencies including the Forest Service, National Park Service and Bureau of Land Management; and representatives of the consortium companies. Staff support for KPDC is provided by the Five County Association and state agencies.

To facilitate its work, the Council created four working groups to concentrate on highway access planning, manpower needs and training, environmental impact statement assistance and review and new community development. The highway task force, with considerable assistance from the State Department of Highways, studied possible alternative routes and selected a 67-mile alignment that connects Cannonville on the north end with Glen Canyon City on the south. The selection was made in time for State Senator Dixie Leavitt, chairman of the working group, to carry the proposal to the 1975 session of the legislature and to secure a commitment of funding for the road. The task force had to overcome resistance from Kane county to a through route from the north which will provide a short cut for north-south auto travel that will by-pass most of Kane County's existing population centers.[30]

The manpower working group was instructed to identify the kinds of people needed to work in the construction and operation phases of the plant and mine and to consider how they could be trained on a schedule to fit the project schedule. The Five County Association, through its manpower planning program, had already done a great deal of the basic information gathering. By June 1975, the task force could report that an initial statement of needs had been forwarded to the State Manpower Council and the State Board of Education. A special statewide manpower training group has been established with the Five County Association representing the state's seven Associations of Governments.[31]

Lead agency responsibility for preparation of the Draft Environmental Impact Statement (EIS) for the Kaiparowits project was assigned to the Bureau of Land Management in accordance with the dictates of the National Environmental Policy Act of 1969. The Council work group's role was to monitor the process and review the product. In fact, the Bureau depended largely on the Council and the consortium to provide the basic EIS information. The companies had previously provided Kane County the necessary funding to employ a consulting firm and they had themselves retained Kaiser Industries as their planning and engineering consultant. In addition, the companies commissioned several environmental studies by Brigham Young University. The Council had no resources of its own to conduct independent research. Its members could only rely on their own knowledge of the area as the basis of judgment for the validity of the information provided and the reasonableness of the Bureau's interpretations and conclusions.[32]

State and local officials are determined that the new community that will be built in conjunction with the Kaiparowits project will not be a typically tacky boom-town mobile home park. It is intended to be more than a "company town" although it has been agreed that it will be designed, financed and built by the project consortium. The Council task force has been working with the Company and Kane County consultants on planning and design of a community that will occupy some 2,000 acres with about half developed for public and recreational uses including swimming, golfing, playgrounds and playing fields. A mix of housing types is proposed with about 3,200 units of multi-family and single-family permanent homes and 1,375 units of mobile homes in place by 1986.[33]

The most controversial issue facing the Council has been the siting of the new town. When it met on September 25, 1975, potential locations had been narrowed to two—Four Mile Bench and East Clark Bench. Both sites are in Kane County, but Four Mile Bench is in the center of the Kaiparowits area, about mid-point on the new road, while the East Clark site is at the southern junction of the proposed road with the existing east-west state highway. Garfield County, whose impoverished Bryce Valley communities lie at the northern terminus of the new road, strongly favored the Four Mile site. Kane County has strongly favored the East Clark site.

While reiterating that the choice would be made locally, Governor Rampton made it clear that he preferred the Four Mile Bench site. In the state energy policy report that was published, belatedly, the day before the site decision was to be made, the Four Mile site was praised and the East Clark location criticized. "The East Clark Bench site is the least desirable for several reasons: (1) it is the most desolate of the three sites with frequent winds; (2) it lacks natural esthetic surroundings for landscaping; (3) of the three sites it requires the greatest travel time for workers commuting to and from work; and (4) it has the hottest summers and the coldest winters." The proximity of East Clark to Page, Arizona with the threat of residents going across the border to shop was also cited.[34]

The companies apparently tried to maintain neutrality, but as their studies showed considerable cost differentials between the two sites, they began to exhibit a strong preference for East Clark Bench. At the September 25 meeting, they introduced a lengthy letter summarizing their consultant's conclusions that the topography of the Four Mile location would result in extensive and expensive site preparation and more costly sewer and water system installation. The estimate, which added $3,000 to $5,000 per unit housing cost, was seen as placing the town at a competitive disadvantage with scattered housing at other locations. The letter also regarded the Four Mile site as remote and inaccessible making it undesirable for commercial, light industrial and tourist development. The East Clark site, on the other hand, could be expected to capitalize on its proximity to Lake Powell in developing a tourist and retirement base. The closeness to Lake Powell was also cited as making it more desirable for Kaiparowits workers. Finally, the consultants suggested that an East Clark town would, because it would attract greater concentration of activity, actually prove more commercially competitive to neighboring Page, Arizona than a Four Mile Bench community. The consultants also pointed out that the draft EIS favored East Clark.[35]

In preparation for the September 25 meeting of the Council, Neal Christensen who, as Executive Director of the Five County Association of Governments, served as the Council's staff director, made a detailed comparison of the two sites using all the information he could assemble from the companies' consultants, Kane County's consultant and other sources. He had also taken an opinion survey of the Council to determine what the members considered to be the priority objectives for the new community. Twenty-seven of the 30 members responded. At the meeting, Christensen reviewed the site comparison in relation to the consensus priorities of the Council. The East Clark site emerged as providing more resident satisfaction at lower housing cost and less adverse environmental impact. The executive committee voted to recommend the East Clark site to the Kane County Commissioners who would make the final choice. Several days before, Governor Rampton had revealed that he knew he would be beaten, but stood by his belief that it was an issue to be resolved and decided at the local level.[36]

The entire Kaiparowits project—mines, generating plant, transmission lines and new community—still has a series of hurdles to negotiate before any actual construction can begin. The Federal government will eventually determine whether the project will be undertaken. Federal agencies have already approved water contracts and coal leases. The Secretary of the Interior must approve the transfer of ownership of the Federal land on which the project, including the new town, will be built. Additional rights-of-way over public land for roads, transmission lines and pipelines will have to be negotiated as will rights to extract sand, gravel and limestone. Federal agencies will have to be satisfied that provisions are adequate for meeting construction and mining safety standards, and for compliance with air and water quality and solid waste disposal regulations.[37]

Federal decisions must take into account the EIS now circulating in draft form. The EIS finds that if air pollution control equipment operates as designed, air quality standards will be met, including plume opacity standards. "Stack emission could result in a reduction in visibility and an evident yellow discoloration under certain meteorological conditions. Salt deposition would affect more than 930 acres of vegetation and soils. Sixty million cubic yards of solid waste would be produced in 35 years which would permanently occupy 450 acres at 90 feet in depth. The plant and mine would consume approximately 50,000 acre-feet of water annually." [38]

The EIS cites positive economic impacts for Garfield and Kane Counties, currently showing the highest unemployment rates in Utah, and adds, "If adequate housing and services are provided as proposed, very significant social impacts may be avoided." The study is more concerned with the indirect than the direct consequences of the project. "The indirect impact of increased population would cause environmental effects on other resource values, e.g., increased recreational use, which could cause soil erosion, destroy vegetation, disturb wildlife, etc. Direct impacts by the project itself on soil, water, vegetation and wildlife would be less significant." The EIS points out that the project has the potential of deferring use of 80,000 barrels of oil per day and would provide additional power to the California and Arizona market areas that would facilitate continued growth. It also mentions that taxes and royalties from the project are expected to reach $65 million a year.[39]

Hearings on the Draft Statement were held in Salt Lake City and Kanab, the Kane County Seat, in mid-September, 1975. Governor Rampton, the entire Utah Congressional delegation, state, county and local officials endorsed the project. A weekly journal noted "a general feeling that there had been too much delay on the Kaiparowits project and that it should be allowed to move forward now rather than be slowly strangled to death by more public hearings, impact statements, or by more interference from remote governmental or environmental groups." The journal reported that "about one-half dozen persons opposed the project as representative of environmental groups, but there was little indication of direct environmental opposition. Most of the statements related more the harm of extensive people impact." An editorial in the same edition concluded: "It'll be a real blow if the whole project is canned. It'll also be a good example of the 'public be damned' attitude of the federal bureaucracy." [40]

Only one element of the Federal establishment is known to have registered formal opposition to the current project proposals. The National Park Service has informed the Secretary of the Interior that it opposes the Kaiparowits plant because the proposed site would adversely affect enjoyment of parks in the area.[41]

Kane County Commission Chairman, Morrill MacDonald, who is also KPDC chairman, took a poll of the county's 1,521 registered voters: 90 percent of the 795 respondents said they favored the Kaiparowits project. Mr. MacDonald testified at the Kanab hearing on the impact statement: "The national economy needs this project and we in Kane County are willing to accept it." [42]

A Statewide Planning Process

Energy development is the dominant growth issue for Utah today and is expected to be through the foreseeable future. State government is committed to the exploitation of the vast energy resources of the State and to share them with the nation. However, the state recognizes that enormous social and economic problems will accompany rapid development, particularly for its small rural communities. The problems of environmental degradation and resource depletion are also factors that must be weighed in every development decision. Because the need for rapid energy development is a national need, and because the private sector will profit from the energy boom, Utah looks to the Federal government and the energy companies to share in the costs of providing public facilities and services and of environmental protection.

Governor Rampton calls his basic growth policy approach "optimization," the consideration of all the dimensions of development. "We cannot afford to consider only one resource—economics, social benefits or the environment—on its own. If we do, we will certainly end up with less than the best possible future.... Let us pursue a responsible and deliberate method which takes into consideration all of the various factors associated with the development and utilization of these limited resources.... If we do not, this new phase of Utah's growth could, in the future, be referred to as disastrous." [44]

A more precise definition of Utah's approach to growth management appears in a description of a current project of the Office of the State Planning Coordinator to develop an energy facilities development and siting guide for use by all levels of government: "Energy related resources are scarce. Decisions made by government affecting use of such resources should be made so as to insure that the public benefits to the maximum extent possible from each use. Because there are gains and losses to society which result from the use of resources, this objective can be stated as the maximization of net public benefits." Defining the concept of "net public benefits," the paper says: "Major resource developments cause intensive impacts upon the human environment and thus directly affect the quality of life people experience. Some impacts are positive and thus are gains or benefits, some are negative and are losses or costs. Some affect the physical or biological environment, some the social, the psychological, the cultural, the economic, and so on. To a great extent, these effects and impacts can be intelligently assessed before the development which may cause them actually takes place.... Although much 'objective' data can be presented to the decision-maker, the need to make value judgments about the relative importance of some impacts with respect to others, about the gains in one area versus the losses in another, about the gains for some groups versus the losses for others, will dominate the decision procedure." [45]

Coupled with determination to see all dimensions of development proposals analyzed and weighed is a commitment to intergovernmental cooperation in decision-making with emphasis on a strong voice for local government. Some confusion surrounds the labeling of the two elements that Utah is developing to implement its growth policy. The "Utah Process" is the name given to a demographic and economic data analysis and projection technique developed by the State Planning Coordinator's office. Through the use of computer-based projection and allocation models, the Utah Process is employed to identify important consequences of large scale developments and events that are proposed or may be anticipated. "Alternative Futures" are developed through testing different combinations of developments and events for their impact on the state's base demographic and economic projections.

In discussions with State Planning Coordinator Burt Carlson, "the process" is understood to mean the Utah Process. However, when his close associate William Bruhn, Community Affairs Department Director, speaks of "the process" he is referring to the workings of the intergovernmental communications procedure created by the Rampton Administration to coordinate planning and policy formation within state government and between state and local units of government. In fact, Bruhn's "Utah Process" incorporates Carlson's "Utah Process." The two men and their offices share responsibility for making the mechanism work, with state planning generally concerned with coordination at the state level, and community affairs with state-local coordination. But the lines are neither sharply drawn nor regarded by either office as sacrosanct. A very high degree of interoffice cooperation, the closeness of both office directors to the Governor and the Governor's support and active participation are fundamental to the effective performance of the system.[46]

The Utah Process—the alternative futures analysis technique—was designed to indicate that adjustments in proposed state and local government activities would be required if other than anticipated changes in economic and demographic patterns occurred. Under the Process, plausible combinations of probable economic events are developed by Interdepartmental planning coordination groups. Once each set of assumptions has been specified, projections of population and economic implications, both in magnitude and distribution, are attained through computer simulation. On the basis of these projections state agencies are asked to formulate contingency programs and budgets for each hypothesized future. The implications of the alternative futures are also projected for each of the State's multi-county districts giving local officials the basis for their own contingency planning as well as for reaction to alternative state agency programs and budgets as these may affect their jurisdiction.

The Utah Process is closely linked to the planning coordination structure of state government which consists of intradepartmental and interdepartmental groups of state agency planners and decision makers. Within each department, the group consists of the director and his division heads who meet to consider the budgetary implications of the agency's functional planning. Interdepartmental groups are organized according to the interrelationships among activities of different agencies. These groups of decision-making and planning officials work on problems of planning for the delivery of government services that concern two or more agencies. The highest level of the structure is the State Planning Advisory Committee composed of department directors, the budget director and the State Planning Coordinator. Here matters of policy determination, conflict resolution and program integration are considered. The purpose of the structure is to make possible communication upward from the needs-assessment level and downward from the policy level. The key objective is to identify potential conflicts among agencies at the earliest stage of planning, rather than to attempt to deal with conflicts through a review of projects already at the implementation stage.[47]

The state level structure parallels a similar organization of local units of government. On a voluntary basis, counties, cities, towns and school districts combine to form Councils of Government (COGs). Representatives of COGs form multi-county Associations of Government (AOGs) serving each of the state's seven designated multi-county planning districts. The Governor's Advisory Council on Local Affairs is made up of twenty-one city and county elected officials invited by the Governor to represent their respective AOGs. The Governor's two coordinating bodies—with the discordant acronyms of SPAC and GACLA—are linked at the local level by state and federal agency representatives who participate in AOG advisory committees. The AOGs and the Office of State Planning Coordination have formal federal program coordination responsibilities as the designated local and state clearinghouses, respectively, for the review functions prescribed by the Federal Intergovernmental Cooperation Act of 1968 and its implementing circulars.[48]

Governor Rampton formally created multi-county planning districts by Executive Order in 1970. In 1971, legislation established the Department of Community Affairs and the Governor's Advisory Council on Local Affairs. A recent study of the Utah intergovernmental structure under the auspices of the Council of State Community Affairs Agencies (COSCAA) concludes: "Without the substate mechanisms. . .and the informed network of communications between and among local officals and state administrators Utah's carefully developed intergovernmental coordination process would lack much of the effectiveness that most local observers agree it has." The COSCAA report identifies the Rampton Administration's support as fundamental to the system's operation.

State Senator Dixie Leavitt, who, as Minority Leader of the Senate, represents the opposition party to the Governor's, shares with the Governor the strong conviction that the planning process must be initiated at the local level. However, Senator Leavitt points out that local government is as responsible for building and making effective the intergovernmental structure as the state administration. He points to the creation of the energy planning and development advisory councils and the passage of a package of energy resource development legislation in 1975 as results of local more than state initiative.[49]

The Kaiparowits Planning and Development Council was established by Governor Rampton in August 1974 at the request of the Kane County Commission. The idea grew out of discussion within the five county AOG on how to deal with regional problems emerging and anticipated from the Kaiparowits and other proposed projects.[50] A second council was created by executive order in November, 1974, to deal with the impact of Uintah Basin oil projects on three counties in northeast Utah. The Councils are similar, but not identical in structure and mandate. Both bring together local, state and federal officials and representatives of state universities and private enterprise. Their primary purpose is to provide a framework through which all available resources can be directed to make certain that proper planning and orderly development occur and to provide a forum where the objectives of economic development and environmental conservation can be reconciled. A third council has been requested by officials in three counties in the State's east-central coal region.[51]

The planning and development councils are the front line units of the network of intergovernmental structures through which Utah planning and policy formation is accomplished. Five key legislative actions taken in 1975 were a direct outgrowth of the experiences of the councils in their attempts to anticipate and deal with the burdens on local communities threatened by large-scale development.

The package of energy resource development legislation responds to common interests of the states, the communities and developers. The Resource Development Act enables the prepayment of the state's 4 percent sales and use tax by a developer into an account from which the state can draw to finance public improvements such as highways needed to initiate project development. The Special Service District Act allows exceptions from municipal bonding limitations through the use of special districts within which the assessed value of all property regardless of whether it is in a town, city or county determines the bonding limit. This makes it possible to include the value of industrial operations beyond municipal boundaries in calculating the ceiling to which municipal debt may go in providing the expanded facilities and services demanded by the new population brought in by the industrial development. Moreover, a special district is permitted a supplementary bonding capability if the bonds are guaranteed by a taxpayer—including a private entity—within the district. The consortium of companies in the Kaiparowits project have indicated, with state and county encouragement, that they will use both these devices.[52]

The Kaiparowits new community developers will probably also find new school, water system and housing finance acts advantageous. The Building Schoolhouses Act allows school districts to enter into contracts with industrial developers to provide school facilities if the districts cannot otherwise meet growth demands related to new development. A new Lending Program for Municipal Water Districts established a $2 million fund of supplementary construction loans for culinary water systems. A State Housing Finance Agency was created to make mortgage money available at less than market rates to moderate income families.[53]

The direct program of assistance to local government administered by the Department of Community Affairs and the State Planning Coordinator's Office gives priority to communities under heavy growth pressure. The state agencies have concentrated on identifying and channeling to such communities Federal dollars available to local government for land-use planning and control, particularly for the preparation and adoption of zoning and subdivision ordinances. The seven multi-county Associations of Government provide technical assistance to towns in this effort. A primary funding source for energy impacted communities has been the Four Corners Regional Commission (FCRC), a federal-state organization for interstate cooperation made up of Utah, Colorado, Arizona and New Mexico. Of the Commission's Fiscal Year 1975 allocation to Utah for public projects essential to economic development, 43 percent went to communities experiencing an influx of energy related development. The nearly $500,000 helped to finance planning and construction of sewer and water facilities and a vocational training center. An additional $400,000, one third state and two thirds federal, will be available in Fiscal Year 1976 to the multi-county associations to study needs for new community facilities and services, site selection for new towns, master planning for new and existing towns, and economic and population projections.[54]

With a grant from the Federal Energy Administration, the Office of the State Planning Coordinator is preparing a "Guide to Decision Making for Siting and Development of Energy Facilities for Use by all Levels of Government Within the State of Utah". Siting is defined as more than determining physical location: siting decisions are regarded as including whether or not a proposed development is to be allowed; consideration of alternative locations, and determination of the best means to accommodate development on a selected site. The purpose of the Guide is to assist governmental units in the development of an independent capability to analyze the need for and consequences of large scale projects. The identification of impacts—the costs and benefits—is to take into account a broad range of social and economic factors as these bear on all segments of the affected population. The Guide will also address the identification of unwarranted roadblocks to project implementation and of public service requirements made necessary by large projects. The southwestern multi-county district served by the Five County Association of Governments has been selected as the study area because of the pending Kaiparowits project and other proposed developments in the region. The alternative futures analysis procedures of the Utah Process will be used as a basic tool in the effort.[55]

The Uncertain Future

Utah state government is trying to prepare for a wave of development anticipated in the immediate future. Governor Rampton refers to the energy boom as a "challenge to local government which the State must help them solve." [56] However, there is full recognition among state officials that there is an urgent need to improve state and local planning, coordination and decision making capability; to consolidate economic planning and program responsibilities in state government; to coordinate federal with state and local activities, and to improve state information management and develop a common data base for planning.[57]

The 1975 legislature appropriated funds for the purpose of improving channels of communication between the state and the Federal government in regard to planning for the use of federal lands. The action reflected the view of state administration, local governments and the legislature that federal agency plans conflict with each other and with state and local plans and that they unnecessarily restrict activity on public lands. The Governor has initiated a state-federal task force on federal land resource planning which will be supported by the appropriation as will similar efforts of Associations of Governments.[58]

With a grant from the Department of Housing and Urban Development, the Department of Community Affairs is making a study for the states in the Rocky Mountain Region of impediments and problems in intergovernmental land resource planning relating to energy development. The study will review laws and administrative activities of Federal, state and local governments and analyze their impact on functional activities such as land use, housing, transportation, economic development and social services. Recommendations will be made for the reshaping of laws and administrative practices relating to development to assist "jurisdictions to establish the necessary capability to insure orderly growth and provide citizens with essential public services." [59]

Governor Rampton is harsh in his criticism for what he terms "fuzzy" Federal agency policies in energy resource development. At a Western Governors' Conference, he charged that "the FEA appears to be diametrically opposed to policies of the Interior Department." The Governor referred to Interior's "restrictive" coal leasing policy and delays in the approval of the Kaiparowits coal-fired power generating plant as examples of actions opposing the Federal government's announced policy of substituting coal for oil as an energy resource.[60]

The Kaiparowits project has brought to light the complexities, difficulties and delays involved in the transfer of lands from federal to private control for the purpose of resource exploitation when a project has been approved. A representative of the Bureau of Land Management appeared before the Kaiparowits Planning and Development Council meeting of September 26, 1975, to indicate that there was great uncertainty within the Department of Interior about the best means of transferring the land and that the process would take from 11 to 24 months after final project approval. His analysis was not disputed by Assistant Secretary of Interior Jack Carlson, who was an observer at the meeting.[61]

Assistant Secretary Carlson revealed at that meeting that the Department was concerned about and deliberating on another issue troubling Utah's state and local officials—the need for federal assistance in "front-end" planning and infrastructure development relating to large-scale energy projects. Five County Executive Director, Neal Christensen, identified planning money as "a devastating need" with State Senator Dixie Leavitt lamenting that KPDC had been forced into "begging, borrowing, stealing planning money." [62] A major source has had to be the Kaiparowits development companies which have directly contributed money to Kane County to employ consultants and have provided, through their own consultants, most of the planning information, the studies on which the draft environmental impact statement was based and the new community site was selected.

Utah officials believe that the companies, consumers and the Federal government should share in the cost of energy development and environmental protection, and they feel strongly that state and local government must have the resources to do independent planning and project evaluation. "The states are in no position to 'go it alone' in dealing with these matters", says Governor Rampton. "We must have assistance from the Federal government and from... private industry." [63]

Conclusion

Utah is a small state in terms of population—about a million—with 80 percent of its people concentrated in the industrial belt of the Salt Lake Basin and the remainder widely scattered in rural communities many of which are high in unemployment and low in per capita income by national standards. It is in some of these relatively depressed areas that radical change is imminent.

With its rich resource base, Utah expects and is preparing for a boom in coal, copper, alunite, phosphate and oil exploitation; conventional and geothermal power generation and related industrial development. The State recognizes the critical need to anticipate the consequences of growth and to develop appropriate state policies required to guide and manage development so as to maintain the quality of life and environment. The state has developed a statewide planning and policy coordination system that operates with a high degree of effectiveness, in spite of limited resources, in pursuit of Governor Calvin Rampton's goal of "optimization" of economic and social benefits, including resource conservation preservation of environmental quality. However, as the demand for domestically produced energy is translated into immense projects, it is going to take more than Utah's determination and administrative capability to protect its people and environment. Reaching the national goal of energy independence will create social and environmental disasters, project by project, unless concurrent national policies for community development and environmental protection are adopted. Moreover, the process of project planning, evaluation, approval and development must be rationalized and coordinated so that state and local communities do not bear an unfair burden of the costs of reaching a national goal.

Footnotes

1. Interview on NBC "Today Show," September 26, 1975.
2. Governor Calvin Rampton, Address to the 26th Annual State Economic Development Conference, Salt Lake City, August 20, 1975.
3. Governor Calvin Rampton, Remarks to annual meeting of the Council of State Community Affairs Agencies (COSCAA), Park City, September 20, 1975 (As recorded by author).
4. *Energy-Rich Utah Natural Resources and Proposed Developments*, State of Utah Department of Community Affairs, Salt Lake City, August 1975.
5. Program Narrative, State application for funding under Section 302 of the Public Works and Economic Development Act of 1965.
6. 1973 Statistical Abstract for Utah, Bureau of Economic and Business Research, University of Utah, Salt Lake City, 1973.

7. *Ibid.*
8. *Op. cit.*, remarks to COSCAA Meeting.
9. *Op. cit., Energy-Rich Utah.*
10. Governor Calvin Rampton, State of the State Message, 1975.
11. *Op cit.*, address to 26th Annual Economic Development Conference.
12. *Op. cit.*, NBC "Today Show."
13. *Op. cit.*, 1973 Statistical Abstract.
14. Senator Carl Snow, remarks to the COSCAA Meeting, September 29, 1975.
15. *Op. cit., Energy-Rich Utah.*
16. *Op. cit.*, address to 26th Annual Economic Development Conference.
17. Interview with Burt Carlson, State Planning Coordinator, September 22, 1975.
18. *Op. cit.*, address to 26th Annual Economic Development Conference.
19. *Ibid.*
20. "Utah, An Eager Keystone of Energy Development in the Southwest, But What About the View." Grace Lichtenstein, Copyright The New York Times, Louisville, Ky., Courier-Journal and Times, August 10, 1975.
21. Governor Rampton responding to author's questions at COSCAA Meeting Interviews with Burt Carlson, State Planning Coordinator, and William Bruhn, Executive Director, Department of Community Affairs, September 20 – 23, 1975.
22. Draft Environmental Impact Statement, Summary, United States Department of the Interior—undated.
23. *Ibid.*
24. *Op. cit.*, 1973 Statistical Abstract.
25. Figures given by Five County Association of Governments based on information supplied by consultants for Kane County and the consortium.
26. *The Utah Process Alternative Future 1975-1990.* Vol. I, Office of the State Planning Coordinator, September 1975.
27. Executive Order, Governor Calvin L. Rampton, August, 1974.
28. *Ibid.*
29. Based on an interview September 26, 1975 with Neal Christensen, Executive Director, Five County Association of Governments, St. George, Utah and on an interview September 25, 1975 with State Senator Dixie Leavitt, Cedar City, Utah.
30. *Ibid.*
31. *Ibid.*, minutes of the June 6, 1975, KPDC Meeting.
32. *Ibid.*
33. *Op cit., Energy-Rich Utah.*
34. *Ibid.*
35. Letter to Kaiser Industries from Marshall, Kaplan, Gans and Kahn circulated at September 25, 1975 KPDC Meeting.
36. *Op. cit.*, remarks to COSCAA meeting.
37. *Op. cit.*, Draft Environmental Impact Statement.
38. *Ibid.*
39. *Ibid.*
40. Color County Spectrum, St. George, Utah, September 25, 1975.
41. *Op. cit.*, Minutes of June 6, 1975 KPDC Meeting.
42. *Op. cit.*, Color County Spectrum.
43. *Op. cit.*, address to 26th Annual Economic Development Conference.
44. *Ibid.*
45. FEA Project Work Program Narrative, Office of the State Planning Coordinator, (Undated).
46. This evaluation is based on interviews by the author and L. V. Watkins during the week of January 27 – 31 and the author during the week of September 21 – 26, interviews that included the Governor, Mssrs. Carlson, Bruhn, officials throughout state government, Association of Governments officials, and local elected officials including state legislators.
47. *Ibid.*
48. *Ibid.*
49. Interview with State Senator Dixie Leavitt, September 25, 1975, Cedar City, Utah.
50. *Op. cit.*, Christensen, Leavitt Interviews.
51. *Op. cit.*, Energy-Rich Utah.
52. William Bruhn, Address to the 26th Statewide Economic Development Conference, August 20, 1975, and *Op. cit., Energy-Rich Utah.*
53. *Ibid.*
54. *Ibid.*
55. *Op. cit.*, FEA Project Narrative.
56. *Op. cit.*, remarks at COSCAA meeting.
57. *Op. cit.*, Section 302 Application.
58. Interview with Burt Carlson, State Planning Coordinator, September 22, 1975.
59. "Mountain Plains Energy Program", Section 701, Demonstration Grant, project description (undated).
60. "Policies on Energy, Vague, Clash, Governor's Charge", *Salt Lake Tribune*, September 24, 1975.
61. Author's notes, Meeting of KPDC, September 25, 1975.
62. *Ibid.*
63. *Op. cit.*, Governor Rampton, 26th Annual Economic Development Conference.

WASHINGTON ASKS ITS CITIZENS TO CHOOSE THE STATE'S FUTURE

"The challenge before the Legislature this year is to begin to establish a comprehensive growth policy," Governor Daniel J. Evans told the Washington State Legislature as it convened for its 1975 session.[1] The Governor proposed a package of measures emanating from an ambitious program to involve citizens in the determination of the direction of state growth and development for the coming decade.

> Response to our Alternatives for Washington questionnaire and polls indicate clearly a preference for a future Washington emphasizing agricultural development and the protection and utilization of our unique land base. We can, during this legislative session, provide state leadership in promoting these goals.[2]

A highly partisan Legislature declined. Most of the Governor's legislative initiatives were defeated or ignored. Not only was the appropriation to continue the Alternatives program cut out of the budget, the Legislature also prohibited use of the Governor's discretionary funds for the program. A senator charged that the program was an attempt to circumvent the legislative process. "The Governor is using state funds to involve people in legislative ideas and then letting people who are not elected and who are responsible to no one harass the legislature to approve them," [3] he said.

Alvin Toffler, author of *Future Shock*, has cited the Washington program as the Nation's foremost example of grass roots participation in setting goals for the future. "What we're seeing," says Toffler, "is an experiment in getting the entire state involved in planning a strategy for survival." [4] Governor Evans is not abandoning the project. He presented the report of the first plan and announced the initiation of a second phase at a news conference in August, 1975.

Alternatives for Washington was initiated by Governor Evans in January, 1974. In his announcement he said:

> Our future need be imposed neither by the personal interests of an elite nor the impersonal force of history. It can be determined by all of the people of the state if they are willing to take and devote the effort to the task. . . . I believe the citizens of this state can, in an orderly and rational manner, determine their future and assure such a privilege will also be available to generations yet to come.[5]

The program was designed to involve as many citizens as possible in a process of considering the basic problems facing the State, current directions the State was being moved by public policy—or its absence—and the directions citizens thought the State should be taking. Through the use of task forces, seminars, surveys and media presentations, the program reached a statewide audience. About 65,000 people were active participants in one activity or another during the first phase.

Growth: Too Much, Too Fast?

The current population of Washington is estimated at just under 3.5 million, making Washington a state in the middle rank. The Seattle-Tacoma urban area accounts for over 1.5 million of the total population. Over one half of the state's population lives along the north-south interstate highway on the west side of the Cascade Range. There are only three urban areas of over 50,000 population in the eastern two-thirds of the State. The State is predominantly rural with 65 percent of its counties having a population of less than 50,000, and 80 percent of the counties east of the Cascades in that category. Less than a quarter of the State's population lives in eastern Washington.[6]

The population of the State doubled between 1940 and 1975. It grew 8 percent in each of the five-year periods 1960 through 1964 and 1965 through 1969, but the rate of growth slowed to 2.4 percent in the first five-year period of the 1970s. There was an actual drop in state population in 1971 largely due to the slowdown in the aerospace industry. The 1975 estimates show the State again growing at an annual rate of 1.7 percent.[7]

Migration into the State has been an important factor in its growth. Over 400,000 people moved into the State in the boom years of the 1940s. The 1960s brought over 250,000 additional newcomers. The slump in the early 1970s resulted in some out-migration, but 25,000 new residents came to Washington in 1974. Only one of the six counties with over 10 percent population increase between 1970 and 1975 was in eastern Washington, while five of the six counties with population losses were east of the Cascades. The other decrease was in the Seattle area where most of the out-migration was related to the decline of aerospace jobs. While five eastern counties lost population, 14 gained although generally at a slower rate than the western counties.[8]

The economy of Washington depends on three major sectors: forest products, aerospace, and agriculture. One quarter—60,000—of the State's industrial employment is in timber harvesting and processing while another 50,000 people work in the aerospace industry. Agriculture and allied activities are estimated to directly or indirectly provided employment to a quarter of the State's entire work force. While the number of farms is declining, their size and production is growing with three-fourths of the 34,000 farms now in operation being over 1,000 acres in size. All three major sectors are large exporters, with worldwide demand for lumber, food and aircraft expected to increase. The president of the company which is the state's largest exporter of forest products comments: "If this State had to depend on U.S. Markets alone, it would exist in a national backwater." [9]

Both agricultural and forest lands are being depleted by urban sprawl. There is a vast potential for increasing the amount of farmland through irrigation, but the costs in water and energy are high. "Our standard of living has been increasing at the cost of air and water purity and the depletion of natural resources," says the official state magazine. "In fact, we may have to sacrifice some of our economic growth to maintain our quality of life here. . . . Increasingly we have become aware that our natural resources are limited, that sprawl is no longer practical. . . ."

Over-dependency on timber, aerospace and agricultural employment also is cause for public concern. "When we hit a situation when two or more of these are on the downturn, then our entire state economy is in trouble," State Director of Economic Development John Larson says, "so we should encourage diversification." The Washington labor force is expected to grow by 270,000 people over the next ten years, so 27,000 new jobs a year will have to be created even if the current 8.5 percent unemployment rate is not reduced and no new workers move into the State.[11]

The Governor is optimistic, predicting that the Washington economy will be relatively stronger than the rest of the nation's during the next several years.

> Agriculture, with the world demand for food; foreign trade, with growing Oriental markets; the explosive new growth in Alaska; and the nuclear industry with its promise of filling the gap between today's technology and the development of new energy sources in the next century—these are all part of the reason I think Washington's economy will be more stable in the next few years.[12]

Alternatives for Washington

The Governor, in his State of the State address to the 1975 legislative session, spoke approvingly of letters "from a people who spoke out strongly for a future of moderate and needed economic growth and even more moderate population growth. There is no more of the feeling here in our State that we must be first in population and that we will be best only if we are biggest. They spoke very strongly, overwhelmingly for a top priority of protection for our natural environment and the conservation of our natural resources." [13] The letters to which the Governor referred had accompanied some of the returned questionnaires sent out by the Alternatives for Washington Program.

The Alternatives for Washington is a major effort to involve people in the public decision-making process. It is the citizen participation element of the state's long-range policy planning process which, in turn, is a component of Washington's Program Decision System of budget preparation. The first requirement of that process is "a value system—which sets forth specific goals and objectives reflecting the overall policies and priorities of state government," as explained in the 1975–77 Budget Message.[14]

Alternatives for Washington was designed to bring the people of the state into the process of making the long-range decisions which will shape the future of Washington. It consisted of several phases:

1. The Statewide Task Force—a group of approximately 150 people from throughout Washington who met for four seminars of three days each. The function of this Task Force was to examine the spectrum of directions which the future growth and development of the economy, society and institutions of Washington might take, and to identify a range of desirable alternatives.
2. The "Delphi" questionnaire—a three-part mailing to approximately 2,400 additional citizens in Washington. Participants in this program phase were asked to submit their opinions and judgments concerning significant external and internal trends and developments which had affected or would affect the past, present and future of Washington. Their assessments were considered by the members of the Statewide Task Force during their meetings.
3. The Area-Wide Conferences—a series of meetings held at ten locations around the state in June and July of 1974. Each of these meetings involved from 150 to 200 additional citizens in the program. The participants in these one day conferences also considered desirable goals and policies for the future. Additionally, Area-Wide Conference participants examined the options for growth and development developed by the Statewide Task Force in order to identify areas of agreement or conflict, to identify desirable statewide alternatives which might not have been included, and for general information.
4. The public communication and feedback process—an effort to more broadly involve people in the consideration of alternative directions for the State's future.

During the summer and autumn of 1974, an intensive effort was made to carry the results of the Statewide Task Force meetings and the Area-Wide Conference to the people of Washington. This effort included encouraging statewide, regional and local civic, community and special interest organizations to consider both the philosophy and the output of the program elements at their meetings. Materials and speakers were provided, as was a feedback mechanism to allow participants in such meetings to register their concerns, opinions and preferences from among the options developed. At the same time, newspapers and other publications in Washington were asked to assist by running feature articles and in-depth analysis of goal and policy options with a questionnaire form for reader feedback made available. This same time period was also used for a series of television programs, some of which described the process of identification of goal and policy options carried out by the Statewide Task Force and at the Area-Wide Conferences. Other programs dealth with the products of these meetings; with the desirable alternative directions identified for the future economic, social and institutional growth and development of Washington. These programs included the opportunity for viewer comments and questions via telephone call-in.

The final television program in this series provided maximum opportunity for public participation. It reviewed the growth and policy options covered in earlier programs and asked viewers to express their preferences among these on a form. This form then was returned to the Office of the Governor for inclusion in the final results of the Alternatives for Washington Program. The opinions were supplemented by a random-sample survey to further assess the future growth and development desires of the people of Washington. During this same period technically trained personnel from colleges and universities, businesses, and state and local governments were asked for analysis and assessment of the implications of these growth and development alternatives. A working group was formed consisting of representatives from the citizen groups that set overall targets and the technical analysts who addressed the implications and details of implementation of these targets. The tasks of this group were to consider those growth and development alternatives which had received substantial approval from the people of Washington, to consider priorities among these, and to begin to devise programs and legislation which would set the State of Washington on the path toward its citizens' desired future. Additionally, the output of the Alternatives for Washington Program was intended to provide a comprehensive, integrated basis for governmental program and budgetary planning for the 1975–77 biennium and the years ahead.

The Washington Partnership

A companion program to the Alternatives for Washington is the Washington Partnership effort of the Office of Community Affairs. The Partnership is designed to encourage local public officials to participate in the state policy formation process. An opinion survey was conducted in 1974 asking comments of local officials on a wide range of issues and programs having a bearing on state-local relations. Analysis of the survey results was followed by open meetings around the State in which the results were discussed. A report on responses was sent to state agency directors for their review and consideration prior to preparation of their final 1975–77 program plans and budget requests.

A pilot program in regional and community planning was initiated under the Partnership program in Cowlitz and Wahkiakum Counties in the spring of 1974. Its purpose was to demonstrate in a practical manner a state-local partnership framework within which working relationships could be worked out that effectively combined state and local resources without encroaching on local responsibilities. The State provided fund—using federal planning assistance money under the HUD 701 program—as well as technical assistance and staff planning resources while local governments provided local funds and staff. The program's objectives are to develop long-range and comprehensive plans for physical and human development in the region and the integration of state and local programs to implement these plans.

The Cowlitz-Wahkiakum Governmental Conference, made up of eight general purpose and eight special purpose governmental units in the two counties, sponsored the program which was managed by an intergovernmental team of Conference and State personnel. Thirteen citizen task forces surveyed the region to determine needs in such areas as health care, transportation, education, aging citizens and law and justice, to identify problems in economic development and environmental protection and to consider the structure and functioning of local governments and intergovernmental organizations in the region.

The citizen committee assigned the task of designing a regional planning system adopted a format very similar to that used in the Alternatives for Washington program. Their five-step process took them through: (1) tentative goal formation; (2) issue and problem identification; (3) development of alternative futures; (4) review and evaluation of futures; and (5) policy formation. After arriving at tentative formulations, the task force held 26 community discussion sessions and from a questionnaire used at these meetings determined citizen opinions and preferences. These were communicated to the other program groups which were preparing specific planning documents on regional development, housing, comprehensive community services and service to the aging. The completion and adoption of seven planning volumes ended the first phase of the program in June, 1975.[15]

The Citizens' Choices

At the onset of the Alternatives for Washington Program, 2,400 selected invididuals were asked in "The Delphi Study" series of questionnaires to identify current and potential future trends and events that would have a major impact on the State during the coming decade. The consensus prediction was that there would be considerable population growth, deterioration in the quality of life, increased urban sprawl with loss of prime resource land, migration pressure, increase in national and world demands for Washington's food, power and forest products, and continuing trouble in the national economic system. Respondents identified Washington's primary problems as tax base inequity, environmental deterioration, careless use of land, population influx, energy shortage, unemployment, inflation, poverty, crime, racial discrimination, and lack of governmental credibility.[16]

The Delphi group's thinking about problems and probabilities was passed on to the regional groups and the state citizen committee for their consideration in the process of determining what the desirable future would look like, and how the State could be directed toward that desirable future. Through the summer and fall of 1974 the Statewide Task Force received the pondered the results of area meetings, mail and telephone questionnaires and the television and newspaper campaign. A total of 31,388 people actually returned questionnaires in one of the five different opinion sampling approaches. It is estimated that about twice that number of people participated in the Alternatives program in one activity or another.[17]

By December 1974, the Statewide Task Force was prepared to reveal its conclusions. In a day-long meeting with Governor Evans on December 19, the Committee presented their public policy recommendations in eight categories: population growth, economic development, natural resource conservation, land use, transportation, human concerns, environmental concerns, and governance.

The composite picture of the Washington these citizens want to see emerging over the next ten years is one that is growing moderately in population and economic opportunity, dispersing and diversifying its employment base, conserving its resources, protecting its environment and improving the performance of its government. They say population should increase at no greater than the national rate. Family planning education and services should be expanded. Future population growth should be widely distributed over the State. New job opportunities should be created in smaller communities. The State should control major utility and facility location to promote dispersal.

Population dispersal should be supported through developing industries that are suitable to less populated areas, and that use resources available in these areas, such as energy production, agriculture, timber processing, light manufacturing and information—communications activities. Inter-city public transportation and rural road networks should be improved. Selective use of tax incentives could be used to guide private investment decisions to reinforce settlement dispersal.

The problems of rural isolation could be overcome by innovative communications systems for commercial, educational and cultural use according to the Committee. Health care and services to the aging will have to be improved in the more remote areas. State services should be comparable for all areas, particularly in education, requiring a higher level of state funding and tax base sharing among communities.

The citizens of Washington want economic growth sufficient to meet the employment demands of the state's workers, but not to provide opportunities that will attract outsiders. Their objective is a 3 to 5 percent annual growth rate. Top priority would be assigned to agricultural development in the allocation of water and energy. Aquaculture, forestry, energy development and other activities using the state's resource base would be encouraged under environmental and resource use controls.

The resources of the State should be surveyed and the carrying capacity of land, water and air determined. Regulations are needed to require that renewable resources are used at no greater than the replacement rate; that the use of irreplaceable resources is restricted; and that water quality, air quality and land resources are protected. Land use planning as an intergovernmental activity with a high degree of citizen participation is advocated to prevent loss of prime resource lands, allocate uses on a rational basis and preserve critical natural areas, scenic areas and historic sites. It is proposed that a program be planned that would constrain energy use and increase energy efficiency in agriculture, manufacturing, transportation, buildings and settlements.

Finally, the Statewide Task Force advocated not more but better government. It called for the reform of government through the adoption of a new state constitution that would consolidate powers and clearly delineate executive and legislative functions. It would also make possible the reorganization of local governments as the basis of geography and efficiency in service delivery. The tax structure would be modified to lessen the incidence of regressive taxation. The task force endorsed greater citizen participation at all levels of government planning and policy determination and in the grass roots political process.[18]

The opinion surveys sketched eleven different pictures of future Washington, each with a dominant theme and a combination of other elements. These were composites put together by the Task Force to display the principal alternative futures that emerged from its workshops and those of the areawide groups. Over 26,000 preferences were tabulated in the newspaper survey. Of these, 23 percent favored "Agricultural Washington" emphasizing increased agriculture, aquaculture and forest management; 20 percent favored "Balanced Washington" combining agricultural expansion and international trade; 15 percent chose "Northwest Lifestyle" highlighting quality of life and environmental concepts. Least selected choices—getting 2 and 3 percent of the vote—were "Urban Washington" which placed priority on more liveable cities and "Post Industrial Washington" which pictured a technological world of service and communications industries. The remaining 28 percent of the choices were spread among the six other suggested futures.[19]

The Cowlitz-Wahkiakum Partnership project also pictured alternative futures, in this instance for the region. Only four choices were offered and they were more distinctly differentiated than the eleven Alternatives models. Of the citizens responding to the Partnership questionnaire, 46 percent selected the "environmental enhancement" option that more or less combined the elements of the three models that together won 58 percent of the statewide vote. In contrast with those favoring moderate, non-polluting growth, 10 percent wanted to strictly limit further expansion, 27 percent favored promoting major expansion and 9 percent were satisfied to let existing trends prevail. Because the Partnership futures were portrayed in terms of public actions, the latter vote was cast against any government interference in development activities.[20]

The general goals and policies that emerged from the work of the citizen groups in the Partnership project closely paralleled those of the statewide Alternatives: employment within the region for region residents; land use control; utilization of local natural resources on a sustained yield basis; diversification of employment; minimal pollution, and enhancement of environmental quality. Emphasis was placed on education and job training particularly for low-income and minority groups.[21]

When asked about the idealism of the futures described in the Alternatives questionnaire, Governor Evans responded:

> I think the futures selected were indeed idealistic. Yet I suspect that virtually everyone who took part in Alternatives realized that we could not have the ability to direct ourselves totally toward these futures. We can make a difference, however. It won't be a dramatic shift and we can't turn the State toward a selected future overnight, but the individual decisions made in 1975, followed by those made in succeeding years, will collectively move us toward the futures we selected.[22]

At a news conference, the Governor more directly addressed the ideal of population dispersal:

> Obviously the State itself, as a government, cannot dictate, nor should it, the population distribution of the State. But the operations, the incentives, the opportunities which can exist through proper planning both public and private can, I think, insure the maximum of opportunity in our rural sector and doing so help to diversify Washington's population.

It was at that conference that the Governor announced a second phase of the Alternatives program.[23]

Words into Action

On January 13, 1975, the Governor devoted a substantial part of his State of the State address to the Legislature to describing the Alternatives process, discussing the citizen response and proposing immediate measures that should be taken to carry out some of the priority proposals that had emerged from the Alternatives program. He followed up with a special address January 22 on energy, conservation and agricultural proposals and then submitted his 1975 Executive Request Legislation package containing specific legislative proposals. The Legislature did not pass any of the Governor's program. Nevertheless, the Governor had placed an agenda on the public record that was responsive to many of the dominant themes of the Alternatives program. His legislative package was clearly reflective of those themes.

Although he had made the proposal many times before, Governor Evans placed particular emphasis on the creation of a Department of Transportation that would consolidate a number of transportation functions in an integrated agency. The development of public transportation as an element in a balanced statewide transportation system was a principal objective of the proposal.

Energy conservation was another objective, and this objective inspired two other proposals: the creation of a state energy office to coordinate state energy programs, and the initiation of resource recovery as an untapped energy resource as well as a natural resource conservation measure. Also in the energy field, the Governor asked that existing state authority over the siting of nuclear power plants be expanded to create a "one stop" permit procedure governing all energy facilities development. This bill also required state review of all advance planning for energy development and facilities location.

Environmental proposals included an act to regulate oil transport on Puget Sound to prevent oil spills and to prohibit new oil transfer facilities on the inner Sound. A wild, scenic and recreational rivers preservation proposal was submitted. To dampen land speculation, a land sales excise tax would have cut deeply into profits from fast land turnovers. Land use planning was mandated under a proposed land resource management act. The process was to involve both the state and local governments, with the latter bearing primary responsibility for preparing and adopting development regulations subject to state review and certification. These regulations were to protect agricultural, forest and mineral resource lands from urban encroachment.

The Governor requested reinstatement of government authority to plan, finance, construct and operate irrigation projects to expand the state's crop producing potential. At the same time, he proposed a leasing system and fee for water use in recognition of the need to assert greater state control over this critical resource as well as to provide funds for further water resource development.[24]

The measure given highest priority by Governor Evans was a call for a constitutional convention. Alternatives program participants had concluded that much of what they felt had to be done could not be accomplished without constitutional change. Washington's 1889 constitution was written in the populist era when fear of trusts and monopolies, and particularly the railroad companies, was exceeded only by distrust of government and government officials. The document is four times the length of the United States Constitution and is a detailed prescription for the operation of government. It put a ceiling on legislative salaries, limited the length of sessions and restricted the legislator's powers to raise and allocate funds. "The [constitutional] delegate's goal was to promote honesty and accountability, but after 86 years the result is a hamstrung group of citizen legislators. . . frustrated over their inability to put money where it is most needed and stymied in their efforts to create a workable, fair taxing system," says the staff of the Commission for Constitutional Alternatives.[25]

In the executive branch, power is divided among eight elected constitutional officers and a framework created that has permitted the creation of more than 365 boards, commissions and agencies, some accountable to the Governor, some to the Legislature, some to both, and some to neither. "Although the farmers of the 1889 Constitution sought to diffuse power and thus prevent its abuse, the results of the executive article they fostered are bewildering, inefficient, an unaccountable bureaucratic web which not even the bureaucrats understand, let alone the ordinary citizen." [26]

The constitution is very detailed and restrictive on the powers of local government, forcing counties and municipalities to come to the Legislature for special bills to undertake the many activities of modern local government that were not envisioned in 1889. One result in a multitude of special taxing districts—for cemeteries, water systems, dikes, drainage, fire and sewers—often with geographic and jurisdictional overlapping. Local officials have so little power that they cannot be expected to solve local problems, says a Commission staff paper. "Talented leaders are discouraged from running for local office." [27]

Governor Evans created the Commission on Constitutional Alternatives in July 1975 after the Legislature had failed to approve his request that a constitutional convention call be put on the November 1975 general election ballot. His Executive Order instructed the Commission to undertake a comprehensive and extensive public education program with respect to constitutional reform alternatives. The objective is to convince the 1976 session of the legislature to approve a general election vote in the fall of 1976 on the question of convening a constitutional convention in the summer of 1977.

The Commission's role is not to advocate specific reforms but to inform the public of the problems created by the present constitution. The Alternatives for Washington recommendations were not specific except that the new document should be "a brief, flexible expression of fundamental law." [28]

Alternatives, Second Phase

In August, 1975, Governor Evans presented the published recommendations of the Alternatives statewide task force and announced that the program would continue, saying:

> It is very easy to select a rather utopian future, to list all of the goals we would like to see achieved. It is quite another thing to recognize the costs of getting to those goals. And phase two will deal with the trade-offs—the policy trade-offs and the cost trade-offs—which are necessary in order to achieve the goals which people have stated that they wanted. I suspect that in the course of phase two we may find that there are some changing opinions of people, a recognition that if the cost is too high or the policy is too difficult, they may chose to modify or change the ultimate goals they seek.

The Governor said he was asking citizens to attempt to measure the trade-offs and costs of their proposals in order to provide the ground-work for the executive and legislature to plan specific actions "to build the kind of state we seek." [29]

Regional groups of the Statewide Task Force were convened in a series of late September and early October meetings to discuss the next phase of the program, preparatory to a meeting of the full task force with the Governor in October. That meeting launched a 14-month program that was intended to result in an agenda for the 1977 session of the new legislature that would be elected in the fall of 1976. In January, 1976, groups of the Task Force, reinforced by technical and political people, began the task of translating the broad statements of the first phase into specific proposals for implementation. The implications of these proposals would be analyzed on the basis of who would pay, how much, who would benefit, at what sacrifice in values, and what resources or abilities were essential to accomplish other desired goals. The conclusions and proposed actions resulting from this process would once again be publicized and surveys made to get public reaction.

The fall meetings had been the first for the Statewide Task Force members since the previous December. In the interim, the Legislature had cut the Alternatives appropriation from the budget, and had specifically prohibited the use of state funds for the program. Task force members expressed concern that the program had a "negative mandate" from the legislature, and that its continuation, using federal funding, would further alienate legislators. However, members of the legislature who were members of the group argued for efforts at reconciliation and continuation of the program. Discussions centered on approaches by task force members to legislators to explain the program, its broad, non-partisan citizen base and its recommendations. The genéral agreement was that neither local nor state elected officials really would become interested in the program's proposals until they were translated into specific actions.[30]

Meanwhile, within the Evans Administration, a systematic effort was underway in the fall of 1975 to analyze current state policies in the light of publicly endorsed preferences, as reflected in survey responses, and state goals, as formulated by the areawide and statewide Alternative groups. This process will lead, beginning in the late fall, to consultations with state agencies on their policy directions by the state planning staff of the Office of Program Planning and Fiscal Management. Under the state's integrated planning and budgeting process, the agencies must develop a program framework for their budget requests, working with the state planning staff to assure that agency planning is consistent with broader Administration goals and policies. The results of the Alternatives program will be used as a framework for the consideration of the direction of agency planning both short-term—relating to the Fiscal Year 1977–79 budget—and for the next ten years.[31]

Conclusion

The report of the first phase of the Alternatives for Washington Program expresses citizen frustration with government:

> During the past two decades we have experienced the advent of mass communications. At the same time, our educational level has risen tremendously. More and more, the general public is as well informed on critical issues as its public officials, and is just as capable of making intelligent decisions. But what has happened? Our system allows very little direct involvement. People become frustrated with government; they have begun to feel unable to influence its decisions. However, we know that people want to become involved more directly.[32]

The report cites a response to a survey question indicating that 90 percent of those questioned placed increased citizen participation in government as a high or medium priority. Another illustration of public sentiment showed that about three fourths of the respondents in the mail and telephone surveys wanted more issues decided by popular referendum and fewer by the Legislature.[33]

This latter attitude prompted Governor Evans to tell the Legislature that there was "a deeply felt and clearly expressed dissatisfaction with the institutions of representative government." He went on to say:

> There is no more serious threat to our society than an electorate which feels so frustrated by the governmental process that large numbers reject voting as an effective method of participation and who prefer that decisions be made by plebiscite rather than by their elected representatives.[34]

Governor Evans has developed a system of citizen participation that has been used in goal setting and policy determination and other arenas of state government, and that is designed to reinforce the process of representative government. Legislators have been antagonistic, apparently believing that the program encroaches on legislative prerogatives. The citizen participants in the Alternative process realize that the program and the Legislature will have to find common ground or the program will not be effective. The resolution of the issue of the constitutional convention—because so many other issues hinge on it—could determine the nature of the role of citizens in deciding Washington's future.

Washington is not a state with severe current economic difficulties, and its economic future looks promising. Nevertheless, Washington's citizens are worried about the pace of change, uncertain about the future, and unsure of their ability to sustain the quality of life of the State. They have expressed, through the Alternatives program, a vision of what they want their life to be, and they have begun to translate this vision into proposals for the resolution of current issues and the design of concrete measures to move the State toward chosen goals. The Governor has asked the citizen participants to take on this translation job while at the same time instructing the agencies of state government to reconsider policies and objectives in the light of the citizen's expressed preferences. Most significantly, the Governor has made the call for a constitutional convention a primary objective of his Administration for the coming months. Alternatives for Washington will finally be evaluated on the basis of the results of these efforts.

Footnotes

1. Governor Daniel J. Evans, Special Address to Joint Session of Washington State Legislature, January 22, 1975, Olympia, Washington.
2. *Ibid.*
3. "Alternatives Impact Eyed," *The Sunday Olympian*, August 24, 1975.
4. *Ibid.*
5. *Alternatives for Washington*, Vol. I, Office of Program Planning and Fiscal Management, May 1975, Olympia, Washington.
6. *Population Trends*, Office of Program Planning and Fiscal Management, State of Washington, Olympia, July 1975.
7. *Ibid.*
8. *Ibid.*
9. Washington State, March 1975 edition, Office of Program Planning and Fiscal Management.
10. *Ibid.*
11. *Ibid.*
12. *Ibid.*
13. Governor Daniel J. Evans, Address to Joint Session, January 13, 1975, Olympia, Washington.
14. *State of Washington Budget*, 1975–77 Biennium, December 1974.
15. Description of the Partnership program is based on interviews with Richard Hemsted, March 24 and October 7, 1975 and a review of the demonstration program grant application and the program reports.
16. *Op. cit., Alternatives for Washington.*
17. *Ibid.*
18. *Ibid.*
19. *Ibid.*
20. A Regional Planning System, Cowlitz-Wahkiakum Governmental Conference, February 1975.
21. *Ibid.*
22. *Op. cit., Washington State.*
23. Transcription of News Conference, August 21, 1975.
24. *Preserving Our Heritage: Forging our Future*, 1975 Legislative Request Program, Governor Daniel J. Evans, Olympia, January 1975.
25. *Washington's Constitution, A Time for Rebuilding*, Commission for Constitutional Alternatives, Olympia, September 1975.
26. *A Primer for Constitutional Revision*, Commission for Constitutional Alternatives, Olympia, August 1975.
27. *Op. Cit., Washington's Constitution.*
28. *Op. cit., Alternatives for Washington.*
29. *Op. cit.*, News conference of August 21, 1975.
30. Authors notes: meetings of Statewide Task Force regional groups at Olympia, October 1 and Seattle, October 2, 1975.
31. Based on interviews with Nicholas Lewis, Assistant Director, Office of Program Planning and Fiscal Management, State of Washington, Olympia, October 1 and 2, 1975.
32. *Op. cit., Alternatives for Washington.*
33. *Ibid.*
34. *Op. cit.*, Governor Evans Address to Joint Session.

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