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FOCUS

CIVIL SERVICE REFORM

PROPOSITION 13

Joint Center for Political Studies

Perspective

The 1980 decennial census will provide an updated snapshot of the country, detailing our characteristics in numerous statistical profiles. It will determine the distribution of our elected representatives, as required by the Constitution, and will provide the basis for shaping many federal funding programs. While the census is vital to the nation as a whole, it is especially critical to the welfare of minority Americans whose unique status and needs are often determined by their population characteristics. Consequently, assuring a complete and accurate census in 1980 ought to be of prime interest to national leaders and minority leaders as well.

Achieving this goal may sound simple, but in reality it is quite difficult. There has been an undercount in every decennial census since 1870 due to inadequate counting procedures, poverty and illiteracy, fear of the census, and high mobility rates. Because the American population is so heterogeneous, the undercount can affect some subgroups more so than others. For example, in 1970, when some five million persons were not counted, there was an underenumeration of 1.9 percent among whites but an underenumeration of 7.7 percent among blacks. Although no figures are available, it is widely believed that the undercount among Hispanics, Native Americans, and probably Asians, also was relatively high.

The undercounted population constitutes a body of undocumented Americans. They are shortchanged in terms of political representation and in terms of billions of dollars of federal funds allocated to states and localities, at least in part, on the basis of population.

The recognition that blacks, especially males, were selectively underenumerated in 1970 has led to much public debate and to demands for a better count in 1980 as well as an adjustment formula to correct any undercount which might occur. The goal is to provide greater equity in such funding programs as general revenue sharing, community block grants, food stamps, education, child care, community planning, CETA, legal services, public assistance, job corps, and special programs for the aged.

The inequity stemming from the 1970 black undercount has been heard in the media, in Congress, in the Census Bureau, in the courts, and in the White House. The resulting pressures have led the Census Bureau to increase its efforts to reduce the prospect of a 1980 undercount, especially in minority communities. The Bureau has sought the assistance of minority leaders in this undertaking.

Census experts agree that there are three ways of adjusting the undercount but that all three have some shortcomings. The complex, technical formulas which make up these adjustment methodologies would mean very little to the layman. What is important and meaningful, however, is that there should be a national commitment to adjust the undercount, so far as is humanly possible, to reduce inequities in the allocation of federal dollars. Because the Census Bureau could not or would not select one of the three known adjustment methodologies, the U.S. Department of Commerce asked the National Academy of Science (NAS) to study the problem and make recommendations. As a member of the NAS panel investigating this problem, I have insisted that there must be an unambiguous recognition of the mischief and inequity caused by differential undercount and that we must find a solution which could become the basis of a national policy consensus.

I believe that while the three known adjustment methodologies may be limited, clearly, one is more preferable to the others. Thus, I have recommended that what the census experts call the "synthetic" method of adjustment, which takes only race into account, is far more preferable than no adjustment at all. Such an adjustment would affect both the white and black undercounted populations, and it would go a long way toward redressing the inevitable problem of a differential undercount.

While such an adjustment will not be perfect, it will apply our best thinking to a difficult problem. One day, when the various groups in the nation become more equal, perhaps the need for a census adjustment will disappear. Meanwhile, minority leaders had better gear up to protect their interests in the 1980 census.

Eddie N. Williams
President

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Civil service reform — 1

In March of 1978, the President proposed a comprehensive program to reorganize the federal civil service system. The Program was included in the Civil Service Reform Act of 1978, and the President's Civil Service Reorganization Plan. Among the major features of the reorganization effort are provisions which:

- Replace the Civil Service Commission (CSC) with a new Merit System Protection Board and an Office of Personnel Management;
- Create a new and independent Federal Labor Relations Authority which assumes many of the functions of the Federal Labor Relations Council and the Assistant Secretary of Labor for Labor-Management Relations under Executive Order 11491;
- Inscribe in law basic merit principles governing the Federal personnel system and, specifically identify the prohibited personnel practices that undermine the system;
- Improve the procedures for deciding employee appeals and install a new approach to appraising employee performance, with less cumbersome procedures for taking corrective action on the basis of poor performance records;
- Permit additional participation by agencies in staffing processes, and increase their flexibility in hiring decisions;
- Modify veterans preference to strengthen employment opportunities for disabled and Vietnam-era veterans, but to reduce it for others;
- Establish a comprehensive system for managing and utilizing senior executive personnel;
- Install an incentive pay plan for managers and supervisors at the GS-13 through GS-15 grade range. The plan relates pay increases to the quality of their performance;
- Authorize research and demonstration projects aimed at improving personnel management.

Veterans Preference

Although each of these proposals may be of some significance to black public administrators, thus far, minority group reactions to this reform initiative have been centered largely on proposed revisions in the veterans preference program. Some groups have criticized the administration's proposal because of the long-term impact which changes in veterans preference might have on federal employment opportunities for former black military personnel. Specifically, it is argued that as the percentage of blacks in the nation's military force continues to rise, the existing veterans preference program will become increasingly more important to the black community. This point is particularly significant in light of the reality that the federal service consistently employs a larger percentage of minorities than does the private sector.

On balance, however, it is not clear whether the existing veterans preference program will offer the long-term employment opportunities for blacks which are suggested by reform critics. Indeed, specially targeted employment programs, such as the non-competitive appointment authority of the Veteran's Readjustment Assistance Act, may have a far greater impact on the employment rates of minority veterans than the existing veterans preference program.

Whatever one's views might be on veterans preference, it is essential that this issue not become the sole or dominant concern of blacks in evaluating the civil service reform effort. The central black concern must be the impact of civil service policies and practices on enhanced employment opportunities for all minorities, whether veterans or not.

JCPS Study on Blacks in Federal Government

The importance of more meaningful Equal Employment Opportunities (EEO) provisions being included in the current Civil Service Reform effort is illustrated by recent research conducted at the Joint Center. Focusing on the period from 1963-1976, the JCPS Research staff sought to document the number, levels and kinds of jobs held by blacks both government-wide and in the 11 cabinet level departments. Three points of particular significance emerged from that study which are relevant in the context of considering civil service reform options.

First, blacks made substantial gains in governmental employment during the period from 1963-1976. There was a 27 percent increase in black full-time federal employees during this period, compared to an overall federal employment increase of 5.2 percent. This increase represented a net black gain of 82,626 full-time federal positions from a base of 301,889 positions in 1963. From a comparative perspective, these data are probably not as impressive when one realizes that in 1963, 13.1 percent of all federal employees were black. By 1976, that number had increased to only 15.9 percent.

Second, although the percentage of blacks in higher graded positions has increased significantly since 1963, blacks continue to be employed primarily in lower grade positions. In 1976, for example, 75.9 percent of all black federal employees were at the GS-8 level, compared to 91.1 percent in 1963. In contrast, at the super grade level, although there was a 249 percent increase in the number of black super grade executives during the study period, the absolute numbers deflate this impressive figure and illustrate the consequences of past discriminatory practices. In 1963, CSC records did not identify black super grade executives. By 1969, there were 63, and in 1976, there were 220 black super grade executives. It must be noted that this constituted only 3.1 percent of all governmental employees at that level in 1976. Similarly, since 1963, the percentage of black federal government employees at the GS 9-11 level has almost tripled, but to only 15.6 percent of all employees, and the number of blacks at the GS 9-11 level has doubled to only 8.4 percent of all employees. Although reflecting improvements, these data suggest the need for expanded efforts to provide enhanced opportunities for blacks to compete for and hold middle and executive management positions.

Third, as was the case in 1963, with one exception, blacks were concentrated primarily in social agencies in 1976. In three cabinet level agencies, almost one of every four employees was black — Labor (25.9 percent), HEW

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Civil service reform — 2

by Allan Campbell

Mr. Campbell is chairman of the U.S. Civil Service Commission.

The words "reform" and "government" often seem to go hand in hand. Indeed, the campaign speeches of those running for elective office would indicate that reform is essential for effective government. Jimmy Carter himself made such an observation during the 1976 presidential campaign. And, the President has made good on his pledge to propose meaningful reform of the federal personnel management system.

Despite unsuccessful attempts in the past, I am convinced that today we are in a uniquely suitable climate across the country for reform of the civil service system. The 95-year history of the Civil Service Commission (CSC) has been one of repeated reform efforts, mostly add-ons rather than fundamental changes. These efforts have, for a variety of reasons, been frequently unsuccessful. Earlier proposals for a Senior Management Service, for example, were advanced at a time when a growing federal sector still ensured some managerial flexibility. The need for a strong managerial corps was less apparent then. In other cases, reforms may have been necessary but political realities made them unachievable. Whatever the reasons, it is demonstrably true that the necessity of reform and the feasibility of reform have seldom been in concert. I believe we are in the midst of such a confluence of need and willingness today. Current efforts are not without opposition — some of it serious and much of it well-intentioned. But, it is an opposition which I think we can satisfy for the most part with reason, and where appropriate through compromise.

The President knows this. Reform of the entire federal personnel management system is a major part of his commitment for functional bottom-up reorganization of the federal government.

In his January 19th State of the Union message, the President stated:

> "I consider Civil Service reform to be absolutely vital. Worked out with the civil servants themselves, this reorganization plan will restore the merit principle to a system which has grown into a bureaucratic maze. It will provide greater management flexibility and better rewards for better performance without compromising job security.
>
> "Then and only then can we have a government that is efficient, open and truly worthy of our people's understanding and respect. I have promised we will have such a government. I intend to keep that promise."

Over the past year, the personnel reorganization part of the President's reorganization drive, the Federal Personnel Management Project, chaired by the assistant director of the Office of Budget and Management (OMB) and by me and staffed by federal employees, has developed many reforms which — following careful review and Presidential approval — have been translated into specific proposals for reorganization and legislation.

Two of these proposals call for: (a) more flexible hiring-authorities to encourage recruitment of women and minorities; and, (b) the diminuation of preferential treatment of veterans in federal hiring.

In my view, these two aspects of our reorganization are responsive to the concern that competence from *all* of our society be brought into the federal workforce. Our proposed reforms will help accomplish this, while remaining true to the concepts of merit which underpin federal personnel policy.

Affirmative Action

It is my firm belief that affirmative action is "part and parcel" of what a merit system is all about.

Affirmative action requires a searching out, an expansion of the universe from which employees are drawn. It requires, further, a careful examination of what qualities should be sought in hiring and promoting employees. We've got to look harder for the qualified minority or women. This can only enhance and upgrade the quality of public service. In short, I am thoroughly convinced that affirmative action is a part of merit; you can't have one without the other. To assume that merit principles must be compromised to accomplish affirmative action is wrong — 100 percent wrong.

We must be careful not to confuse the *word* merit with some of the *trappings* of merit. Currently, some of the practices, laws and regulations which make up the technical structure of the personnel system may actually inhibit affirmative action.

Selection Process

True merit principles dictate that federal jobs be open to everyone found competent by examination or other valid selection criteria. As mandated by *Griggs v. Duke Power,* whatever selection device used must be job-related.

The selection process would not be as open to debate if it were possible to measure all skills necessary for job success *quantitatively.* We do reasonably well in measuring education, ability on written tests, and skills required for certain clerical and technical jobs. Yet, high academic ability and high test scores do not guarantee even adequate performance, and certainly not outstanding performance. Interviews, letters of reference, and a person's work history might tell more about an applicant's ability to do a job well.

We must take non-quantifiable factors into account in picking the right candidate. A system adequate to this need requires more sophisticated testing procedures. But, more than that, it requires a variety of routes into the Federal service.

A mere look at statistical data illustrates that current selection procedures deny substantial talent to the federal government.

The impact of Proposition 13 on the poor

by Marvin A. McGraw
Marvin A. McGraw is a social science analyst from the Census Bureau on loan to the National Black Caucus of Local Elected Officials (NBC/LEO). He is serving as Special Assistant to the President of NBC/LEO.

In every corner of the nation informed persons are debating the pro's and con's surrounding the California tax limitation initiative — Proposition 13. Under this initiative, which became effective on July 1, 1978, property tax revenues were slashed by approximately 60 percent. What this meant in dollar figures was that California could anticipate a loss of $7-billion of its current $11.4-billion in property tax revenues.

However, the California legislature came to the aid of its local governments by voting them more than $5-billion in state surplus funds. Unfortunately, the state windfall still falls $2-billion short of the revenues lost by cities, counties and school districts. But, as a result of the legislature's decision, California will be temporarily spared drastic cutbacks in the delivery of social services. And the fear that a large number of persons, holding jobs in local and state governments, would be laid off appears to have abated.

For minorities and the poor, however, the significance of Proposition 13 cannot be underestimated. Although the California initiative does not appear to have any overt racial implications, any cuts in service delivery or any employment layoffs will have an adverse affect on the minority community. In light of this fact, it becomes imperative that minorities become fully aware of the impact of tax limitation proposals, especially since such proposals are currently being considered in a number of state legislatures outside of California.

What is Proposition 13?

When California voters approved Proposition 13, on June 6, 1978, the move was heralded widely as a strong statement on the need for tax reform. The citizens of the state were weary of the burdensome property tax rate which appeared to be ever increasing. In an effort to voice this displeasure, 65 percent of the California voters supported Proposition 13.

Some analysts have interpreted the California vote as a protest against a government that requires high taxes to finance its ever-expanding programs. In other circles the vote was interpreted as a protest against inflation that has pushed property values, and consequently taxes, into an upward spiral.

Unlike most states, which require that a constitutional amendment be put on the ballot by the state legislature, California requires about 500,000 petition signatures for any initiative to appear on the ballot. An estimated 1.3 million people signed petitions for Proposition 13.

The major provisions of Proposition 13 are as follows:

- Maximum property tax shall not exceed 1 percent of market value at the 1975 levels. This limit on property tax revenues does not apply to those taxes collected for purposes of repaying bonded debts approved by the voters prior to July 1st of this year.
- Revenues from property taxes shall be apportioned "according to law" among the districts and counties.
- Property values are to be based on the assessments of March 1, 1975. Thereafter the maximum increase of assessed value shall be 2 percent per year except for new construction or parcels in which there has been a change in ownership.
- Any new state taxes voted by the state legislature must be passed by a two-thirds vote of all members elected to each of the two houses of the legislature. No new taxes may be imposed at either the state or local level.
- Local government may impose "special taxes," but only by a two-thirds vote of the "qualified" electors.
- The entire initiative will take effect July 1, 1978, and if any particular section of the amendment is held to be unconstitutional, the others will remain in effect.

It is interesting to note that at the same time California voters were going to the polls to vote on Proposition 13, they also had an alternative — Proposition 8. Under Proposition 8, property taxes would have been rolled back only 30 percent for homeowners and would have tied state and local spending to rises in personal income. However, Proposition 8 was rejected by 53 percent of the voters.

A survey taken by the Joint Center, of sample black precincts in California, showed that black voters favored Proposition 8 by a three to one margin. At the same time, blacks rejected Proposition 13 by the same three to one margin.

It is important to highlight the fact that Proposition 13 not only represents a drastic rollback of property tax revenues, it also establishes a constitutional restriction on state and local governments' ability to raise additional revenues through the taxing process by imposing a "two-thirds" vote requirement before any new taxes can be enacted. This deadlock could have severe economic consequences and dramatically impact on the fiscal capability of California in years to come. While on the one hand, constituents will be demanding an increase — not decrease — in service delivery, on the other hand, state and local government officials — handicapped by the two-thirds vote requirement — will not have the ability to raise the needed revenues in order to meet the demands.

Service Delivery Cutbacks

As mentioned earlier, with the $5-billion surplus being allocated from the state, service delivery will not have to be cut as drastically as anticipated. Most local governments in California will retain at least 90 percent of their present revenues in the coming fiscal year. Some cities, notably San Francisco and Los Angeles, will do even better because they have raised or imposed various charges to help make up for anticipated lost revenue.

This is not to say that all is well for local governments in California. On the contrary, the surplus funds given to localities merely serve to postpone a fiscal crisis to future years when surpluses are not expected to be as abundant. In fact, severe economic problems for California could emerge as early as next year.

Although at present the fiscal capabilities of local governments have been partially rescued by the state, there still remains several unanswered questions: What

lies ahead, in the future, when state surpluses are not expected to be at a sufficient enough level to bail out local governments? What adjustments will be necessary in order to deliver vital services on a continuing basis to the citizens? If cuts are going to be necessary, where will these cuts have their greatest impact and on whom? As the state surplus begins to dwindle in size and local governments begin to feel the pinch of their property tax rollback, decisions on these and many other questions will have to be addressed by elected officials in California.

By lowering the level of property tax revenues, as required under Proposition 13, many local officials will also have to reduce spending. The immediate danger of this action is that it will place these officials in direct conflict with federal rules that require towns and cities to maintain their local effort in order to receive federal financial assistance. In addition to losing the revenues derived from the property tax, local officials could find themselves being denied the full benefits of receiving millions of dollars in federal matching funds. This will add to their problem of delivering vital services to their constituencies.

Although it appears as if the crisis for California has been avoided for the time being, it might be beneficial to point out some of the measures that were being considered in order to make up for the anticipated loss of revenues as a result of the vote for Proposition 13. In this way, one can realize only too clearly where the pressure of the property tax decrease would have been felt had not the legislature come up with the needed revenue:

- In Los Angeles, Mayor Tom Bradley called for an immediate hiring freeze on all municipal employment. This was one of the alternatives which had to be confronted if the city was to come up with the necessary $234-million to make up for property tax losses. In addition, it was estimated that 8,000 city employees would have lost their jobs beginning July 1, 1978.
- In the County of Los Angeles, approximately 10,000 to 20,000 employees stood a good chance of being relieved of their jobs. Even with these cuts, it was estimated that the county would still fall between $400-million to $900-million short of its needed revenues.
- In San Francisco, Mayor George Moscone proclaimed a "state-of-emergency" and suspended the city charter which mandated various city services and pay scales. In addition, he anticipated having to close district health centers, cut back on municipal employees and eliminate all public assistance programs.
- In San Diego County, officials planned to eliminate 1,500 jobs in law enforcement, fire protection, health services and other categories.
- The Beverly Hills Unified School District felt that its program would have to be cut 60 percent, and programs such as athletics, adult education and a number of other programs would be cut or eliminated.
- In Contra Costa County, east of San Francisco, county officials projected that 25 percent of the local employees would be laid off, with 60 percent of the sheriff's and the probation department's personnel being furloughed.

As one can see, the crunch of Proposition 13 would have eventually been felt across the board. However, the hardest hit would have been those who are on the lowest rung of the economic ladder and are heavily dependent upon government services such as welfare, day-care and health services. Also affected would have been those who were heavily dependent on the public school system for the education of their children.

Soon after the vote on Proposition 13 (but before the legislature voted to release the state surplus), the Los Angeles Board of Education ordered a two-month unpaid vacation for approximately 10,000 employees of the Los Angeles Unified School District. This action was taken primarily because California state law prohibits the laying off of teachers because of budget cuts. Unfortunately, this action has not been reversed as a result of the state's intervention. It is estimated that some 260,000 young people and 89,000 adults will be unable to attend classes this summer. Many of the students needed the summer session in order to graduate and now will have to stay in school another semester.

Manpower Implications

If the projected cutbacks in services predicted as a consequence of the enactment of Proposition 13 were allowed to occur, the state's Comprehensive Education and Training Act (CETA) program stood to be greatly affected. This, in large part, is due to the "maintenance-of-effort" provision of the CETA legislation and its subsequent regulations. The provision reads:

> "The Secretary (of Labor) shall not provide financial assistance for any program under this Act unless . . . the program will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of federal or other funds in connection with work that would otherwise be performed."

Currently, the federal government pays the salaries of thousands of persons taking advantage of the job aspects of CETA in California. If one interprets the CETA provision correctly, no CETA position can be filled — and no CETA employee can remain on the job — whenever a regular employee, in a "substantially equivalent position" has been laid off. The same restriction exists when a regular staff vacancy occurs as the result of a hiring freeze. It should further be pointed out that many of the persons who stood a good chance of being laid off would have come from the black and Mexican-american communities of California.

In response to the possibilities of massive cutbacks in services and employment layoffs and at the request of President Carter, the Department of Labor (DOL) projected the following consequences of Proposition 13:

- It is estimated that as many as 50,000 CETA workers, working in the same or a substantially equivalent position as those from which regular employees are laid off, may be affected. This would be out of a total of 75,000 Public Service Employee (PSE) participants in the state. While every effort will be made to transfer CETA workers to jobs that would not be affected, such transfer will probably involve some temporary layoff before they can be accomplished. It is expected that there will be a signifi-

cant disruption in CETA employment.

- Loss of local funding by private nonprofit agencies from local government units may trigger layoffs of regular employees in these nonprofit agencies. This, in turn, will affect CETA/PSE employees.
- The State itself will adopt drastic general revenue savings measures to get funds to help local governments. This, in turn, may cause layoffs of State employees, thereby affecting State CETA worksites.
- Under the Title I program, many training and work experience projects are operated by subcontractors, such as local school systems, who will cut back operations. Thus, new training and work experience contracts will have to be developed.
- Worksites for the youth programs (YEDPA) will also be affected, as local school systems cut back their fall programs.

Prior to being notified of the California legislature's decision to provide assistance, a number of prime sponsors and employing agencies had been trying to persuade the Department of Labor to immediately place a freeze on hiring and fill vacancies as they occur by invoking the "budgetary crisis and re-hire" provision of the CETA legislation. This provision, to a limited extent, would allow for the rehiring of regular employees with CETA funds. In response to this request the labor department was not inclined to implement the provision. According to DOL, the budgetary (or financial) crisis must *occur* before the provision could become operative.

Given the way things turned out for government officials in California, it was probably best that DOL decided not to implement the budgetary crisis provision of the CETA law. But what would have happened if the State legislature had not provided the necessary surplus revenues?

Although DOL uses the term "disadvantaged" when describing their CETA recipients, the direct advantage of this program has been to take minorities and the poor off the unemployment rolls and give them the type of training and work experience that would enable them to play a useful role in our society. The predicted consequences of Proposition 13, mentioned above, would have directly affected the primary goal of this major employment program.

Tax Limitation Activity in other States

Unlike California, where the voters were aware of a state budget surplus in excess of $5-billion prior to going to the polls to vote on Proposition 13, other states cannot boast of having a surplus anywhere near that amount. As a result, many states have been hesitant about trying to duplicate the California experience.

In states where taxpayer organizations, such as the National Taxpayers Union, have been attempting to get tax limitation initiatives on various legislative schedules, the reaction has been mixed. To date, there are 11 states — Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, North Dakota, Oregon and Wyoming — where initiatives can be put on the ballot without legislative action. Petition drives are being organized in these states in an effort to have initiatives placed on the ballots by the November election.

In 10 states where initiatives require legislative action in order to be placed on the ballot — Alabama, Florida, Georgia, Illinois, Iowa, Maine, Minnesota, New York, South Dakota, and Wisconsin — attempts to introduce tax limitation initiatives have either been blocked by the legislative committees handling such matters or have failed to receive the necessary votes when put before the full legislature.

Shortly after the passage of Proposition 13, a number of phone calls came into the Joint Center from minority officials across the country. While many were interested in learning of initiative activities in other states, a few — primarily in North Carolina, Michigan and Massachusetts — were in the midst of initiative activity and were interested in finding out how best to prepare the minority community for some of the problems which have been discussed above.

In Massachusetts, for instance, the state legislature is considering a similar Proposition 13 type legislation. According to a spokesman for the legislature's Black Caucus, this legislation will probably pass during the current session of the legislature. Unfortunately, given the limited number of black legislators — eight as of July 1977 — very little can be done to reverse this type of outcome. On the other hand, in Michigan, a staffer in the office of one of the black legislators expressed an interest in the developments surrounding Proposition 13 because there is currently an active petition drive underway in that state in preparation for the upcoming November elections. This petition drive received an additional boost from Howard Jarvis — the force behind Proposition 13 in California — who decided to pay a visit to Michigan in an effort to assist in the petition drive.

While looking at tax limitation initiatives in other states, it is important to understand that many of the social and economic factors that produced the climate for Proposition 13 in California are absent in most other states. According to John Shannon, assistant director of the Advisory Commission on Intergovernmental Relations (ACIR), "It would be difficult to replicate in many states the following factors that gave such explosive support for Proposition 13: 1) an extremely large state fiscal surplus, 2) well above average property tax burden — about 40 percent above the national average in 1976, 3) a high and rising fiscal blood pressure reading — the total state and local tax burden was also well above average and it had been rising at a faster rate than those of most other states, 4) a strong populist tradition and 5) an unusually rapid growth in residential property taxes in Southern California and a better than average tax assessment system that translates these inflation driven values into rapidly rising tax assessments."

The citizens of California were fortunate that their legislature allocated the necessary funding to buffer the impact of a property tax rollback. The wisdom of Proposition 13, however, will be put to the test when the surplus is no longer at its present level and the government officials find themselves still having to comply with the mandate of the initiative.

How was the State Surplus Distributed?

From all indications, Proposition 13 was heavily supported by political conservatives and opposed by many individuals of liberal persuasion. The legislative

rescue package, issued on June 23, 1978, actually accomplished some long-term liberal objectives:

- The state took over $1-billion in welfare, food stamp and medical care programs previously administered by counties.

It has long been recognized, in California, that county supervisors usually have been extremely critical of welfare programs. Given this fact, welfare organizations, thoughout the state, have been pushing for a state takeover of this responsibility for some time. Now, as a result of Proposition 13, they have their long awaited objective.

- The state's 58 counties were given responsibility for 4,700 special districts which supply water, lighting, firefighting, insect control, soil conservation and various other services.

The legislature accomplished this by giving the counties $125-million for the special districts and telling them to allocate it. This process will likely mean some district consolidations that most government analysts consider long overdue.

In addition to the above, the legislature provided $5,022-billion in assistance for local governments in the following areas:

- School districts, which had obtained half their revenues from property taxes, will get the largest share of state aid, $2.7-billion. This brings the districts to 90 percent of their funding, but most districts will have more than that because of the summer school closing which was initiated as an immediate reaction to the property tax rollback.
- Counties which raised 28 percent of their income from property taxes, will get $450-million as well as the $1.1-billion savings from the welfare takeover by the state.
- Cities, which depend on property taxes for only 15 percent of their revenue, will get only $250-million. This will not create a difficult problem since many are able to raise charges and levy some taxes of their own.
- A $900-million emergency loan fund will be established to save local governments from any cash flow problems.

Thus, by moving to give assistance to local governments, the state has avoided, for the time being, a rather rude fiscal crisis. The predicted "doomsday" effect of Proposition 13 seems to have been put, temporarily, to rest and now state and local government officials can get on with the business of solving some of the more complex issues which will eventually emerge from the rollback of property tax revenues.

Conclusions

There are many ways to look at the impact of Proposition 13. From a public policy standpoint, according to Mr. Shannon, the initiative will have the general impact of strengthening the hands of fiscal conservatives at all levels of government. It will reinforce the current tendency to place greater tax spending restrictions on both State and local policymakers.

On the other hand, from a minority point of view, drastic cutbacks, as a result of property tax rollbacks, could have four immediate consequences:

1) Many of the previously hard-core unemployed, who are taking advantage of the CETA program, could be forced to go back on the unemployment lines. Given the hesitancy of the Labor Department to amend the CETA regulations, the danger of this occurring is eminent.

2) Many social service programs require local governments to match federal dollars. With a decrease in the property tax base, local governments will be hard-pressed to come up with their part of the funds. This could mean the loss of such programs as day-care, nutrition, family-planning, maternal and child health care, and drug rehabilitation.

3) Most minorities cannot afford to send their children to private schools and must depend upon public school systems. Any interruption of this process, as experienced with the closing of summer schools in California, could have long-term effects.

4) Minorities stand to be directly affected by the enactment of new or increased taxes or fees being imposed by cities and counties throughout California. The taxes or fees will increase the charges for such services as sanitation collection, sewer services, building permits, paramedic services, meter parking, etc.

Much has been said about a "message" being transmitted from Proposition 13. The message is supposed to be that middle-class property owners are tired of having to bear the burden of excessive property taxes without receiving the full benefits of their tax dollars in the form of goods and services. To them, too much is being done for the lower-class poor at their expense. Thus, in answer to this rebellion, the government is going to have to find another way — other than through the property tax — of financing many of the vital services that have been established.

Proposition 13, however, is not a question of "race" as much as it is a question of "class" — the middle-class vs. the low-income persons. The rollback of the property tax will directly benefit the middle-class homeowner, and will adversely affect those with low incomes by drastically decreasing social service programs, employment opportunities, and education.

This is the dilemma which confronts our elected officials today. How they ultimately address this issue may determine social policies in the future.

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Under the General Schedule, in grades 1-4 (the lowest of 18 grades), 77 percent are women and 28 percent minorities. In the top grades (16-18) there are 3 percent women and 5 percent minorities. It can be seen that women and minorities are quite well represented — in fact, over represented — in the lower levels of the federal civil service. But the proportion of representation falls significantly (most dramatically for women) as we move to higher grades.

With the workforce stable as it is, federal employees generally advance only when attrition — retirement, transfers, resignations, discharges and so on — create vacancies. When these vacancies occur in the higher level jobs, most are filled by promotion from within as opposed to bringing people in from the outside. Candidates for these higher level jobs, then, are those who hold mid-level jobs.

If minorities are not well represented in the mid-range of jobs — which they are not — they will not be well represented in the higher range jobs either. (At present, women and minorities account for only 5.5 and 6.4 percent, respectively, of the jobs at grades 13, 14, and 15.) That is why improvements in the proportion of minorities and women in the higher level jobs that have occurred in recent years have been almost entirely the result of noncareer appointees as opposed to career appointees.

Employment figures are the product of many historical forces, including discrimination. But as I have already suggested, they are also caused by many current practices — such as veterans preference, promotion systems, limitations on rapidity of promotions, and apportionment requirements, to name only a few.

The American public has a right to competent service. But public service also should be a model of equity — ensuring that all citizens get equal service and an equal chance for government employment.

I believe that a bureaucracy whose upper ranks are 90 percent white and male cannot function effectively in an America which has become aware of its diversity.

The Civil Service Commission has conducted an occupation-by-occupation analysis of 140 occupants in government to determine the proportions of minorities and women. If the proportion is less than 80 percent of what it should be — in other words, if the proportion of minorities in a given occupation *should* be 10 percent based on availability in that occupational field and we find it *is* less than 8 percent — then we will grant the agencies that have these jobs authority to do some hiring using probationary appointments instead of depending on regular civil service registers. This is the Special Emphasis program which we hope to implement in the near future.

Veterans Preference

A major blockage to flexible hiring systems has been the extensive privileges granted to veterans. The negative impact on women is substantial. The negative impact on minorities has generally been less demonstrable. In my October 4, 1977 testimony before the House Subcommittee on Civil Service, I indicated that the best minority representation among veteran groups in the federal service was in the special Veterans' Readjustment Assistance program (VRA) — a recruitment effort targeted at younger, less educationally advantaged Vietnam veterans. The VRA is not dependent on standard veterans preference and is unaffected by our proposals to curtail the use of general preference. Across all general schedule grades, VRA had a 30 percent minority population compared to 22 percent for other Vietnam Era Veterans (VEV's) falling under existing preference rules.

Our current proposals will have no immediate impact on the bulk of those Vietnam Era Veterans either. This is the veteran population most frequently thought to be disproportionately minority. A look at the data gives some credence to that view.

Within total full-time permanent federal employment, VEV's have a 4.5 percentage point greater minority representation than the remaining general preference population (22.4 percent to 17.9 percent). In other words, a proposal which salvages preference for VEV's — presumably by setting the time limit long enough to permit VEV's to qualify for employment in the near future — will benefit that portion of the veteran population with the larger minority representation. Within the preference eligible groups, the proposals under consideration are those most favorable to the groups with greater percentages of minorities.

But, the equally important issue is whether curtailing preference for non-disabled older veterans will adversely affect minorities relative to that part of the federal sector which receives no preference. Here the case is even more favorable to a reduction in preference. For the same total full-time permanent employment population, nonpreference employees are better than 23 percent minority, slightly higher than the percentage for VEV's and much higher (by almost one-third) than the older veteran population. If we assume that the government's employment profile under nonpreference would continue at present rates once preference is curtailed for older veterans, minorities would have everything to gain.

The proposals for reorganization and for changing many of the laws affecting the civil service are before the Congress. They are intended to give Federal employees and managers the tools to do their jobs. The Federal workforce is full of dedicated and creative people who deserve the opportunity to perform at their best. Glenn Stahl, author of, *Public Personnel Administration,* notes that "in the public service, one man with enthusiasm is worth ten who look upon their jobs merely as a source of income." I feel strongly that in changing the system, in striving to shift the emphasis from "system" to "merit," that we will be serving the interests of those public servants as well as the public at large.

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(23.3 percent) and HUD (22.7 percent). The fourth agency with a percentage of black government employees approaching the 25 percent level in 1976 was the Office of Management and Budget (24.7 percent). Minority employment data on OMB are especially significant both because of the continued growth of the agency, and the fact that since 1969, the percentage of blacks there has almost doubled. In contrast, by 1976, some agencies had demonstrated very little progress in hiring blacks, including the Department of Interior (4.7 percent), Department of Agriculture (6.7 percent), and the Department of Transportation (8.8 percent), and one agency — the Department of Defense — had achieved only a 0.1 percent increase in black employees over the 13-year study period.

These and other findings from the JCPS study suggest that if civil service reform is to have any real meaning to minorities, at a minimum the following specific reform-related questions must be answered in the affirmative:

- Does it provide expanded opportunities for upward mobility?
- Does it provide enhanced opportunities for minorities to achieve middle and executive level management positions?
- Does it provide expanded job training opportunities?
- Does it provide greater clarification of agency EEO responsibilities?
- Does it require a greater EEO effort in agencies with historically poor records of performance in the hiring and promotion of minorities?
- Does it put teeth into the goals of enhanced minority employment opportunity effort by linking EEO to the budgetary and personnel authorization processes?

Reform Proposals Not Requiring Legislative Action

Several proposals made by the President's Personnel Management Project Staff appear to offer a far greater hope of responding affirmatively to these questions than the major civil service reform provisions mentioned above. Although not included in the President's legislative reform package, each of the recommendations made by the Personnel Management Project Staff which are mentioned below can be achieved either through executive orders or agency initiatives.

- Delegate to agencies authority to make a limited number of appointments outside regular competitive processes, initially on a pilot basis. (Minorities and females could be included among these selections);
- Establish a national goal for equal employment opportunity and affirmative action in the federal service;
- Assign responsibility and authority to OMB to require agencies to integrate equal employment opportunity considerations into their programs and workforce planning, and their budget development and implementation efforts;
- Provide that persons employed by state and local governments in federally funded programs can move into career federal jobs after training and examination;
- Assign responsibility and accountability for the achievement of national equal employment opportunity goals to agency heads;
- Direct agencies to establish executive development programs which adhere to affirmative action principles in the selection and development of employees;
- Shorten and simplify the discrimination complaint process;
- Set aside a separate group of jobs for advancement under a general provision of the upward mobility program. OMB would police the regulation among agencies.;
- Integrate fully all bureaus and staff and regional offices of the Office of Personnel Management to establish that agency as a model for equal employment opportunity program planning and implementation.

In addition to the above, other civil service reorganization proposals of particular relevance to minorities which would require implementing legislation also should be noted. Though not included in the administration's proposed legislation, they would offer both an enhanced opportunity for minority hiring and provide a vehicle to facilitate the professional development process.

- Establish a federal scholarship for fields of study, such as science and engineering, which lead to employment of minorities, women, and handicapped persons in occupations in which they are greatly underrepresented.
- Change the law that now requires selection from among the top three numerically ranked candidates to allow selection from broader categories. (Presumably more minorities and women would be among the increased number of candidates from which the supervisor would make a selection.)

Conclusion

The significance of all the provisions outlined above seems clear. Many federal agencies have been justifiably criticized because of the perceived absence of a commitment to the government's EEO program. In part, this has been the direct consequence of either unclear or implicit negative guidance from the President, CSC, and/or the OMB relative to both the importance of EEO efforts, and the extent to which goals and timetables should be seriously established and pursued. An equally important contributor to the problem has been the federal government's failure to provide appropriate incentives which would foster an active interest in enhanced minority employment opportunity among all its agencies.

As stated earlier, many of the federal employment concerns of minority groups are reflected in the recommendations made by the Personnel Management Project Staff. The fact that these recommendations can be enacted by presidential executive order, provides a meaningful framework within which the commitment of the President to enhance employment opportunities for minorities can be realistically assessed.

Also contributing to this article was Dudley W. Gill III, research intern.

Adam W. Herbert

Telescope

Election Results

Results of several congressional primary elections indicate that three new blacks will be members of the U.S. House when the second session of the 95th Congress convenes in January 1979.

California Assemblyman Julian Dixon and Texas State Rep. Mickey Leland won their respective congressional primary elections and face no opposition in the November general election. In Pennsylvania, Rev. William Gray will face only token opposition from his black Republican opponent in November. (See May FOCUS for pre-primary outlooks).

In the June 6 California primary, Dixon won the Democratic nomination to succeed Rep. Yvonne Braithwaite Burke (D) in the 28th Congressional District. Complete but unofficial returns showed Dixon with 42,350 votes (48.0 percent) to his closest opponent, State Sen. Nate Holden's 29,588 (33.6 percent). The rest of the votes were scattered among the six other candidates. Dixon was Burke's successor in the state assembly in 1972 when she was elected to Congress and he was the chairman of the Democratic Caucus in the state legislature. The 28th District has a black population of 40 percent and 76 percent democratic registration.

In Pennsylvania, William H. Gray won the May 16 primary against incumbent Rep. Robert N.C. Nix (D Pa.). Complete but unofficial returns showed Gray with 33,470 votes (57.6 percent) to Nix's 23,135 (38.9 percent). The rest of the votes went to Douglass W. Henderson. Gray, 36, the minister of the Bright Hope Baptist Church in Philadelphia, is well-known in the community for his involvement in activities such as the Philadelphia Mortgage Plan, which provided mortgages for areas in the city that have previously been red-lined. This is a heavily Democratic Philadelphia district and Gray is the favorite to win the November general election against black Republican Roland Atkins.

State Rep. Mickey Leland won the June 3 Texas runoff against State Rep. Anthony Hall for Rep. Barbara Jordan's (D) seat. Leland and Hall were the two top vote getters in the May 6 Democratic primary and under Texas law, a runoff between the two top finishers in a primary election must be held if no candidate receives more than 50 percent of the vote. Leland garnered 15,537 votes (56.7 percent) to Hall's 11,821 (43.2 percent).

Leland, 33, has been a state representative since 1975 and is backed by the liberal community and various grass roots organizations. He also has the backing of many of the liberal representatives in the state legislature.

In other congressional races, Reps. Augustus Hawkins (D Calif.) and Ronald Dellums (D Calif.) won their primaries and are favorites for re-election.

In state-wide elections, Yvonne Braithwaite Burke won the Democratic primary in California for attorney general and is favored to win in November. Also in California, incumbents Lt. Gov. Mervyn Dymally and Superintendent of Public Instruction Wilson Riles won their primaries and are odds-on favorites for re-election.

In South Carolina, James Clyburn, director of the Human Affairs Commission, lost to John T. Campbell, former mayor of Columbia, S.C. in the June 27 runoff race for secretary of state. Unofficial returns show Campbell with 179,442 votes (54.2 percent) to Clyburn's 151,837 (45.8 percent). Clyburn had been considered a virtual shoe-in for the Democratic primary and had been touted as the first black to be elected to statewide office in this century.

In other state races, C. DeLores Tucker lost in the May 16 Pennsylvania Democratic primary in her bid for lieutenant governor. State Rep. Lenton Malry (D) also running for lieutenant governor in New Mexico, was shut out in the June 6 Democratic primary.

And in Newark, N.J., Kenneth Gibson was elected to an unprecedented third term as mayor.

Supreme Court Upholds Affirmative Action in Bakke Case

On June 28, the Supreme Court ruled in a 5-4 decision that race can be considered in future college admissions programs but also ordered the University of California at Davis Medical School to admit Allan Bakke. (See FOCUS July 1977).

In its decision, the court stated that affirmative-action programs that were set up to help minority applicants could use race as a factor in the decision-making process but not to give it undue emphasis. The seven separate opinions that were given by the Justices dealt with admissions policies in education and did not discuss how their decision will affect affirmative action programs that are now in effect in government and the private sector.

FOCUS will take a closer look at the Supreme Court's ruling on the Bakke case in the August issue.

Black Appointed as Special Assistant In Commerce Department

Clarence T. Bishop, Rep. Parren Mitchell's (D Md.) former senior legislative assistant, has been appointed as a special assistant to Under Secretary Sidney Harman at the Commerce Department.

The Under Secretary's office is involved with all of the Department's agencies and programs. Bishop will have varied responsibilities including working with agencies such as the Economic Development Administration (EDA), the Office of Minority Business Enterprise (OMBE) and the National Telecommunications and Information Administration (NTIA).

Prior to his appointment, Bishop had worked in Mitchell's office since 1974, directing the legislative staff and working in the area of minority business enterprise.

Bishop is a native of Baltimore and obtained his M.A. in Urban Planning and Public Policy Analysis and B.S. in Mathematics from Morgan State University. He has also worked as a Research Associate with the Urban Studies Institute at Morgan State.

Blacks Obtain Ownership of A Top Ten TV Network

Blacks from the greater Boston area have become part owners in one of the top ten network-affiliated television stations in the country. This is the first time that blacks have obtained a significant level of ownership in a major station.

WNAC-TV, Channel 7, in Boston, was purchased by the New England Television Corporation for $59-million.

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Seven of the 30 stockholders in the New England corporation are black, and although their controlled equity was not made public, it was described as "substantial."

Purchased from RKO General, Inc. of New York, the CBS-affiliated network had been involved in almost 10 years of challenges concerning their license renewal. The renewal challenges were brought separately in 1969 by the Community Broadcasting of Boston, Inc. and the Dudley Station Corporation who merged recently to form the New England Television Corporation.

Bertram Lee, one of the blacks involved and senior vice president of the Corporation, said: "Only one of the 965 television stations in this country is controlled by blacks; and only 69 of the 8,196 radio stations are controlled by blacks. It is far past the time when blacks ought to be participating more fully in the ownership and operation of American general audience media. We believe that this acquisition is an important step in that direction."

The absence of significant black participation in television ownership was one of the major basis for the successful license renewal challenge.

NBC/LEO Expresses Concern For Black Leaders

In a telegram sent June 19 to President Carter and Attorney General Griffith Bell, the National Black Caucus of Local Elected Officials (NBC/LEO) president Herman "Pete" Starks, expressed the organization's "strong opposition to prejudicial attempts to discredit black leadership in this country."

The telegram continued: "We are appalled by the revelation of the FBI's plan to interject itself into the private lives of black Americans by foisting an FBI-sponsored leader on us. We are also appalled by and strongly opposed to the harassment of Black Elected Officials. We urge you to use your offices to put an end to these prejudicial acts. You should know that we and black Americans in general do not condone any illegal or unethical acts by any leaders or officials. Nor will we tolerate prejudicial accusations and harassments of our leaders."

Black Caucus Urges Restraint In U.S. African Policy

The Congressional Black Caucus (CBC), in a letter sent to President Carter May 27, urged restraint on the part of the U.S. in its African policy, especially in Angola and Zaire and advocated "a coherent U.S. policy toward Africa which will further majority rule and which will be responsive to the legitimate aspirations of the peoples of Africa." It also stressed the need to avoid turning the war in Zaire into a testing ground to counter "a perceived Soviet-Cuban influence in that region."

The Carter Administration has asserted that the Katangan troops who invaded Zaire from Angola were trained by Soviet and Cuban personnel.

Rep Parren Mitchell (D Md.) chairperson of the CBC, said that the U.S. must take into account "the possibility of becoming so involved and enmeshed in African nations that there might be further steps by other nations which would present us with a situation comparable to the one we had in Vietnam."

NBC/LEO Urges JCPS To Expand Its Programs

During the annual conference of the National Conference of U.S. Mayors that was held in Atlanta, Ga., June 16-21, the National Black Caucus of Local Elected Officials (NBC/LEO) passed a resolution lauding the Joint Center for its past services to the organization.

The resolution said in part: "We . . . encourage the Joint Center for Political Studies to seek funding from private and public sources, including federal agencies, to continue, and hopefully expand, its programs for black and other minority elected officials."

Due to the passage of Proposition 13 on June 6, the June FOCUS was delayed to permit indepth coverage of this important issue in this combined June/July edition.

FOCUS

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