#### AP Government: Federalism

#### Federal-State Relationships

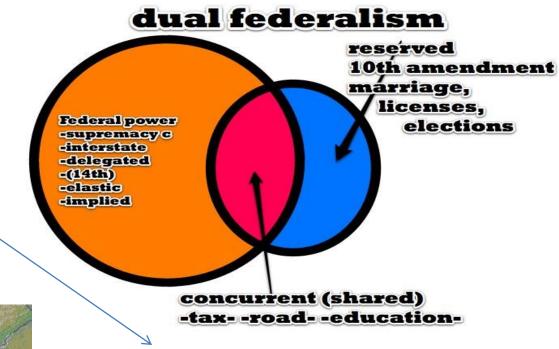
Conflict and Compromise



#### **Governmental Relations**

#### **DUAL FEDERALISM:**

Each level of government has distinct responsibilities that do not overlap. States are sovereign.



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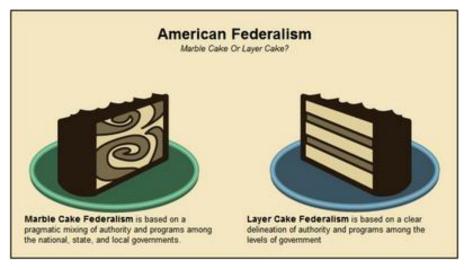
### **COOPERATIVE FEDERALISM:**

Levels of government share responsibilities

#### Layered Cake vs. Marble Cake

#### Layered Cake Dual

- Existed Prior to the New Deal
- Each level of government had its own distinct role -- national, state & local



#### **Marbled Cake**

- Cooperative Federalism:
   Elements of <u>national and state</u>
   <u>influence swirl around each</u>
   <u>other, without clear boundaries</u>
- Where does Federal government end and State begin?

Crowth of cooperative federalism
v. dual federalism because federal
government began to subsidize
state and local activities in hopes
of encouraging national goals

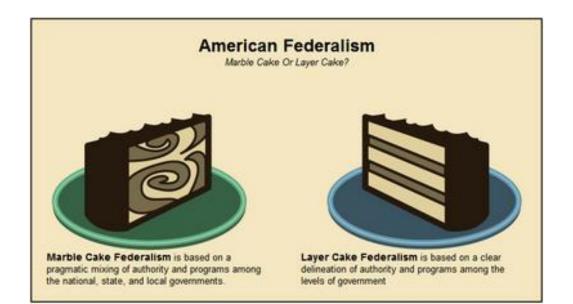
#### Intergovernmental Relations Today

**Shared costs:** To receive federal aid, states must pay for part of a program.

**Federal guidelines:** To receive funding, state programs must follow federal rules and regulations.

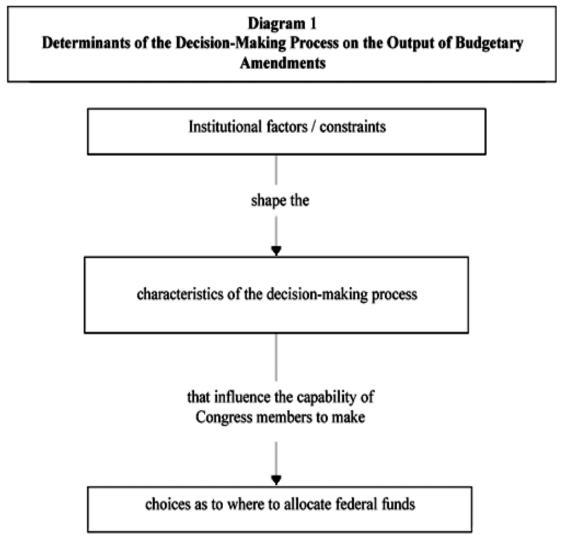
#### **Shared Administration:**

Though programs must adhere to basic federal guidelines, they are administered according to the state's directives.



### Fiscal Federalism—Federal Government holds purse strings.

- The system of distributing federal money to state governments.
- The power of the national government to influence state policies through grants
- About a quarter of states' fiscal spending is derived from federal aid



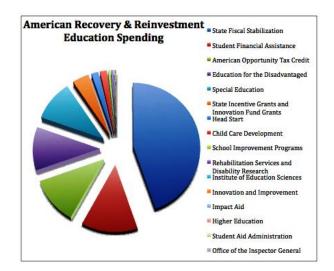
#### Grants-in-Aid

 Money from the national government used for a specific project and with requirements and rules set by the national government

Ex. Drinking age is tied to highway funds

#### Money, Federalism and Deal Making

- National supremacy aside, you still need individual votes from congress people from various states...so how do you get the support? Ans. Grants!
  - Example: Federal government allocate and gives to states to spend as they want/need (GRANTS-IN-AID)
  - If money is available, states go for it spending increases!
  - Earmarks = money given for specific projects, however....
  - By '60s, feds want to know how money is spent becomes harder to get...
  - Feds say programs had to benefit whole country (poor, crime, pollution) - not as easy to get money - leads to growth of lobbyists and interest groups. Remember the policy making process from week 1!



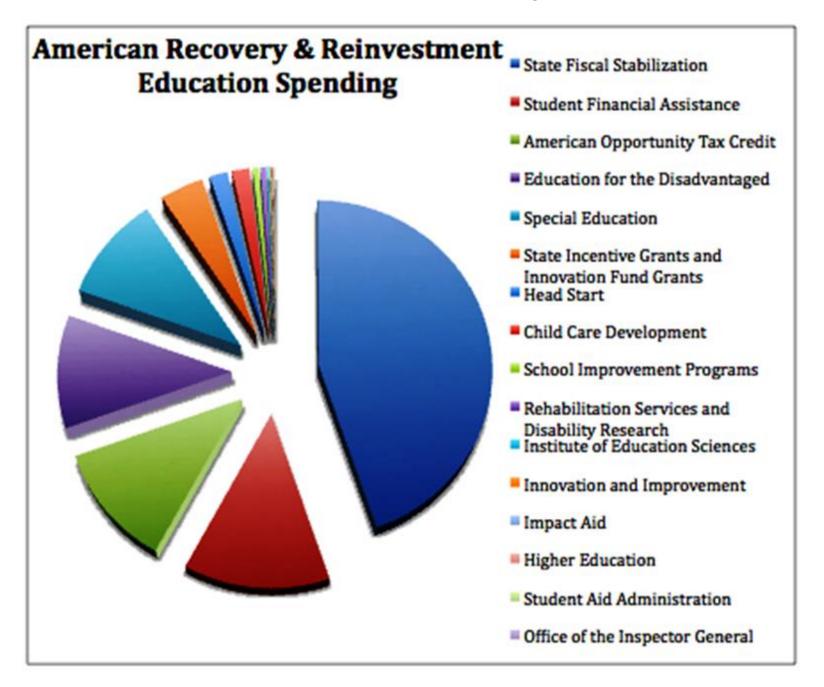
**Inter-Governmental Revenue** 

Revenue distributed by one level of government to another.

Comes in the form of:

<u>Federal Grants: (Grants-in-aid)</u>—given to states for specific purposes. These grants not only supply funds, but influence states by stipulating programs and goals that the federal government wants to achieve.

Ex. Education Spending



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1. Categorical-formula Grants: Specific targets: funds matched by states. Federal funds go to all the states on the basis of a formula depending on the states wealth and usually require that the state match the funds. Used for programs to fight crime, improve streets, control air quality, special education programs, etc. Restrictive to specific programs. (Big Federal Government) Medicaid, Highway Construction, Etc...

Two Types:

Most Common is PROJECT GRANTS: Awarded on basis of competitive applications. Like a scholarship! The best states win!

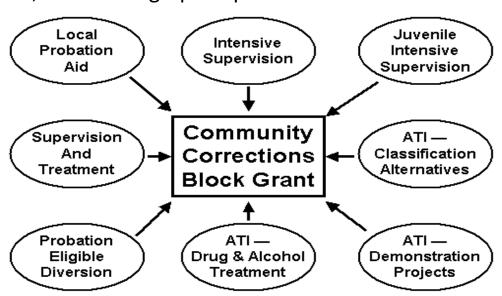
Last Type is <u>FORMULA GRANT</u>: Distributed according to a formula (Need, population, willingness to match funds) If you fit into that formula, you automatically qualify although amounts of awards differ.... Ex. Grants to aide juvenile offenders. Administered by states.

3. \*\*Block Grant: Large grant of money that can be used for a general purpose such as public health or crime control. Allows states more discretionary spending. (Small federal government=less restrictive)

EX: 1996: Personal Responsibility and Work Opportunity Reconciliation Act- Welfare block grant with spending cap

#### **Problems? Maybe: Block grants can slow down because:**

- A) State agencies don't want to share money with each other
  - B) Feds like control over categorical grants rather than blocks
  - C) Flaws in system from bad census reports, etc demographic qualifications



# <u>Devolution Revolution—</u> <u>Transferring responsibility of</u> <u>policies from federal to state and</u> <u>local governments</u>

- 3 Types of Block Grant
  - a) operational (run programs)
  - b) capital (buildings/services)
  - c) entitlements –to poor/needy/ Medicaid)
- Generally Speaking, fiscally and constitutionally conservative Republicans want to devolve these so states run own programs
- Welfare signals devolution 1996 Temporary asst. to Needy Families (Tanf program)
  - End dependency on government & promote self-sufficiency
  - Child poverty rate drops



#### Why Has Devolution Grown?

- Ideology Republicans like it Distrust "big" gov't
- Cut deficit (programs) reduce spending
- American negativity towards entitlements



# 4. Mandates: Formal order given by a higher authority (federal government) telling the state and local governments what programs to implement. Most of these are unfunded and states have to come up with their own money. Local money used to promote federal goals

Mandates can create economic hardships for states when Congress creates financial obligations for the states without providing funding for those obligations

- --Can cause states to have to spend (prisons, schools, discrimination)
- --To get money, states must comply with "conditions of aid" (lower drinking age) or loose funding
  - --Unfounded & Unclear Criticisms what does equal access mean? What is a disability?
  - --Free money is not "free" because it signals federal power conditions of aid make it hard to get money

Voting Rights Act 1965 (states pay for monitoring of elections)
Americans with Disabilities Act (ADA)(1990) states pay for compliance
No Child Left Behind Act (2002) – new standards and testing.
Clean Air Act

#### **Problems with Mandates**

- Often unfunded
  - 1995 Unfunded Mandates Reform Act
    - Congressional Budget Office (CBO)
      - Identify mandates that cost state or local gov't more than 50 million
    - Fed. Can grant waivers

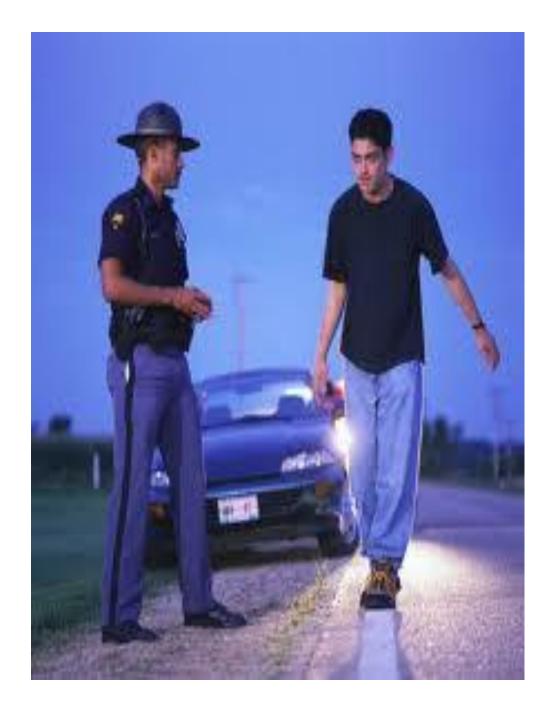
Types of unfunded mandates

- 1. Enforceable duty (law)
- Changes in entitlement programs that lead to further costs (often by changes in rules or enforcement written by bureaucrats)
- 3. Reduction in funding for existing programs

# 5. Conditions of Aid: Federal government will give states money IF they meet the conditions given to receive the aid.

Requires states to spend grant money in certain way in they want to receive federal funding.

--(Examples: Government will give money to states if they lower drunk driving limit, speed limits, etc.)



#### Welfare Reform & the States

- Aid to Families with Dependent Children
   (AFDC) was established under the Social Act of 1935.
  - An entitlement program for children in poor, mostly female-headed, families
  - Eligibility rules and funding came from national government, while the states administered the program

### Personal Responsibility and Work Opportunity Reconciliation Act (1996)

- This act was a major overhaul of welfare, requiring work rather than government assistance, directly affected many Americans.
  - gave the states much wider latitude to create their own welfare programs
  - continued federal funding of welfare programs
  - \*It was also passed by a Republican Congress and signed by a Democratic president, Bill Clinton, thus signaling the bipartisan abandonment of the ideas that undergirded President Lyndon Johnson's Great Society.

#### No Child Left Behind



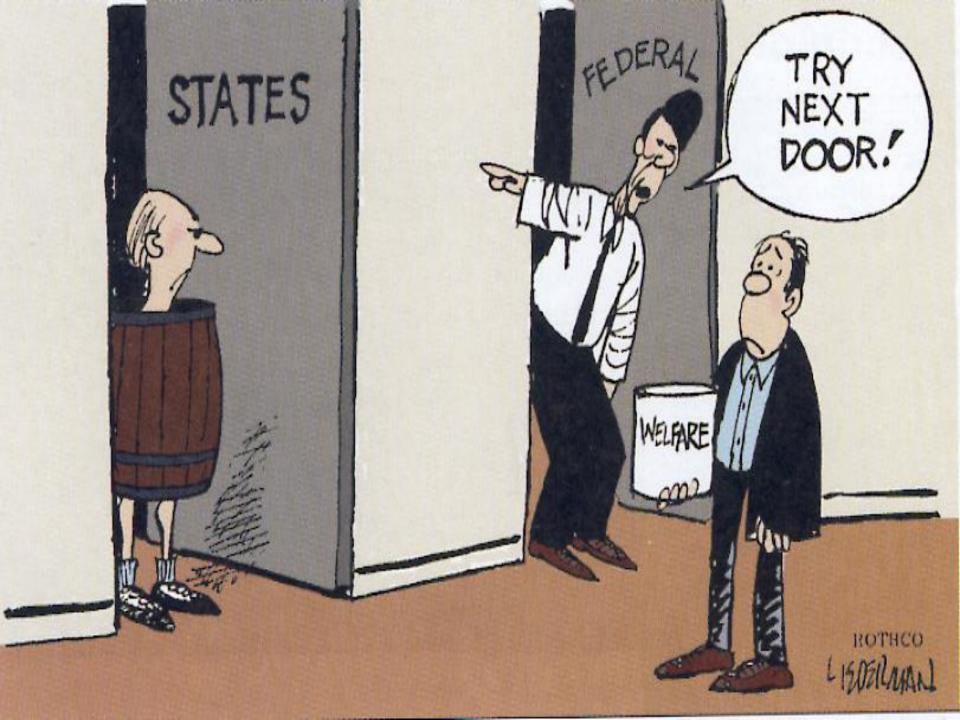
#### \*\*American with Disabilities Act, 1990



The Americans with Disabilities Act (ADA) is the most comprehensive federal civil-rights statute protecting the rights of people with disabilities.

It affects access to employment; state and local government programs and services; access to places of public accommodation such as businesses, transportation, and non-profit service providers; and telecommunications.

"The ADA is a mandate for equality. Any person who's discriminated against by an employer because of a real disability -- or because the employer regards the person as being disabled, whether they are or not -- should be entitled to the law's protection



## So is Federal or State Government Stronger?

 Federal Government - there are more strings for money now



#### **KEY TERMS TO KNOW**

- Categorical Grants: \$ from congress for a specific purpose
- Block Grants: \$ from congress and states have wide discretion as to how to spend it
- Unfunded Mandate: national law passed and enforced but no money comes with it (think NCLB or Disability Laws)
- Preemption: federal government overrides state interest or action
- Sovereign Immunity: state cannot be sued unless it gives its permission

#### Can you????

- A. Define cooperative federalism as it applies to the United States today.
- B. Discuss ways that the federal government financially links itself to the states.
- C. Select one of the following policy areas and explain why a state may not wish to accept federal funding to help support that concern.

Education

Highways

**Disabled Americans**