

Government in America: People, Politics, and Policy  
Thirteenth Edition, and Texas Edition  
Edwards/Wattenberg/Lineberry

# Chapter 3

# Federalism

# Defining Federalism

- What is Federalism?
  - Federalism: a way of organizing a nation so that two or more levels of government have formal authority over the land and people
  - Unitary governments: a way of organizing a nation so that all power resides in the central government
  - Confederation: The United Nations is a modern example.
  - Intergovernmental Relations: the workings of the federal system- the entire set of interactions among national, state and local governments

# Defining Federalism

**Table 3.1 Authority Relations in Three Systems of Government**

	UNITARY	CONFEDERATE	FEDERAL
Central government	Holds primary authority Regulates activities of states	Limited powers to coordinate state activities	Shares power with states
State government	Few or no powers Duties regulated by central government	Sovereign Allocates some duties to central government	Shares power with central government
Citizens	Vote for central government officials	Vote for state government officials	Vote for both state and central government officials

# Defining Federalism

- Why Is Federalism So Important?
  - Decentralizes our politics
    - More opportunities to participate
  - Decentralizes our policies
    - Federal and state governments handle different problems.
      - States regulate drinking ages, marriage, and speed limits.
    - States can solve the same problem in different ways and tend to be policy innovators.

# The Constitutional Basis of Federalism

- The Division of Power
  - Supremacy Clause, Article VI of the Constitution states the following are supreme:
    - The U.S. Constitution
    - Laws of Congress
    - Treaties
  - Yet, national government cannot usurp state powers.
    - Tenth Amendment

# The Constitutional Basis of Federalism

**Table 3.2 The Constitution's Distribution of Powers**

TO THE NATIONAL GOVERNMENT	TO BOTH THE NATIONAL AND STATE GOVERNMENTS	TO THE STATE GOVERNMENTS
<b>Some Powers Granted by the Constitution</b>		
Coin money Conduct foreign relations Regulate commerce with foreign nations and among states Provide an army and a navy Declare war Establish courts inferior to the Supreme Court Establish post offices Make laws necessary and proper to carry out the foregoing powers	Tax Borrow money Establish courts Make and enforce laws Charter banks and corporations Spend money for the general welfare Take private property for public purposes, with just compensation	Establish local governments Regulate commerce within a state Conduct elections Ratify amendments to the federal Constitution Take measures for public health, safety, and morals Exert powers the Constitution does not delegate to the national government or prohibit the states from using
<b>Some Powers Denied by the Constitution</b>		
Tax articles exported from one state to another Violate the Bill of Rights Change state boundaries	Grant titles of nobility Permit slavery (Thirteenth Amendment) Deny citizens the right to vote because of race, color, or previous servitude (Fifteenth Amendment) Deny citizens the right to vote because of gender (Nineteenth Amendment)	Tax imports or exports Coin money Enter into treaties Impair obligations of contracts Abridge the privileges or immunities of citizens or deny due process and equal protection of the law (Fourteenth Amendment)

# The Constitutional Basis of Federalism

- Establishing National Supremacy
  - Implied and enumerated powers
    - *McCulloch v. Maryland* (1819)
  - Commerce Powers
    - *Gibbons v. Ogden* (1824)
  - The Civil War (1861-1865)
  - The Struggle for Racial Equality
    - *Brown v. Board of Education* (1954)

# The Constitutional Basis of Federalism

- States' Obligations to Each Other
  - Full Faith and Credit: Each state must recognize official documents and judgments rendered by other states.
    - Article IV, Section I of Constitution
  - Privileges and Immunities: Citizens of each state have privileges of citizens of other states.
    - Article IV, Section 2 of Constitution
  - Extradition: States must return a person charged with a crime in another state to that state for punishment.



# Intergovernmental Relations Today

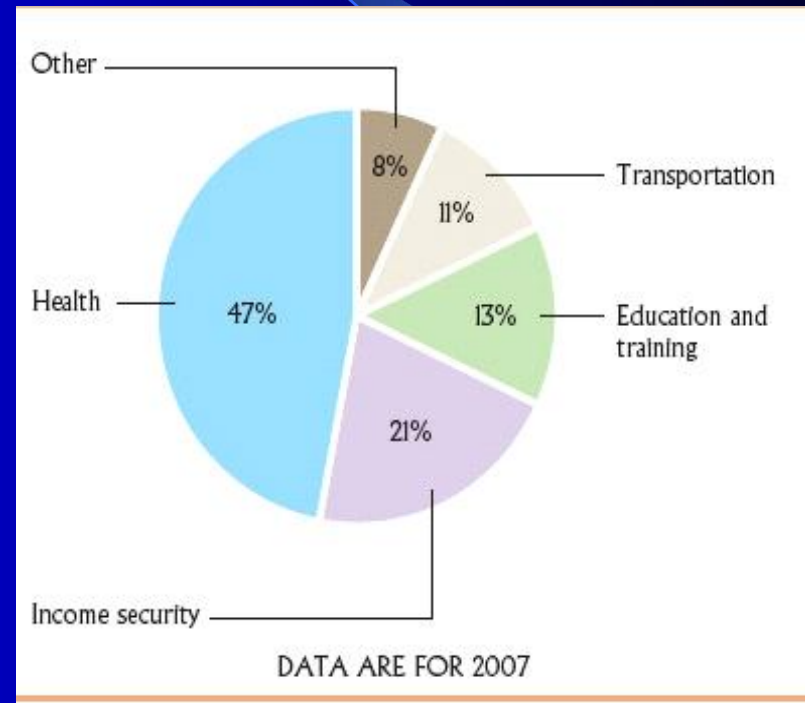
- Dual Federalism
  - Definition: a system of government in which both the states and the national government remain supreme within their own spheres, each responsible for some policies
  - Like a layer cake
  - Narrowly interpreted powers of federal government
  - Ended in the 1930's

# Intergovernmental Relations Today

- Cooperative Federalism
  - Definition: a system of government in which powers and policy assignments are shared between states and the national government
  - Like a marble cake
  - Shared costs and administration
  - States follow federal guidelines

# Intergovernmental Relations Today

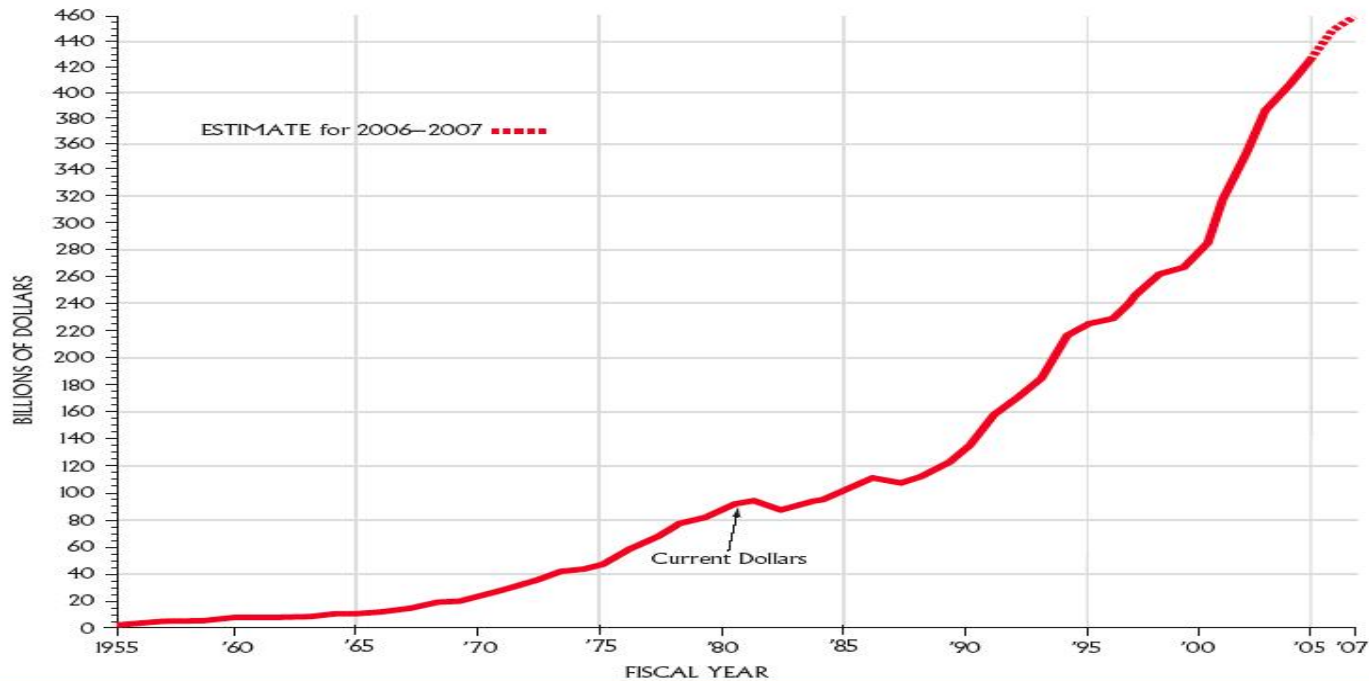
- Fiscal Federalism
  - Definition: the pattern of spending, taxing, and providing grants in the federal system; it is the cornerstone of the national government's relations with state and local governments



# Intergovernmental Relations Today

**Figure 3.1 Fiscal Federalism: Federal Grants to State and Local Governments**

Federal grants to state and local governments have grown rapidly in recent decades and now amount to about \$460 billion per year.



Source: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2007: Historical Tables* (Washington, DC: U.S. Government Printing Office, 2006), table 12.1.

# Intergovernmental Relations Today

- Fiscal Federalism (continued)
  - The Grant System: Distributing the Federal Pie
    - Categorical Grants: federal grants that can be used for specific purposes; grants with strings attached
      - Project Grants: based on merit
      - Formula Grants: amount varies based on formulas
    - Block Grants: federal grants given more or less automatically to support broad programs
    - Grants are given to states & local governments.

# Intergovernmental Relations Today

- Fiscal Federalism (continued)
  - The Scramble for Federal Dollars
    - \$460 billion in grants every year
    - Grant distribution follows universalism—a little something for everybody.
  - The Mandate Blues
    - Mandates direct states or local governments to comply with federal rules under threat of penalties or as a condition of receipt of a federal grant.
    - Unfunded mandates

# Understanding Federalism

- Advantages for Democracy

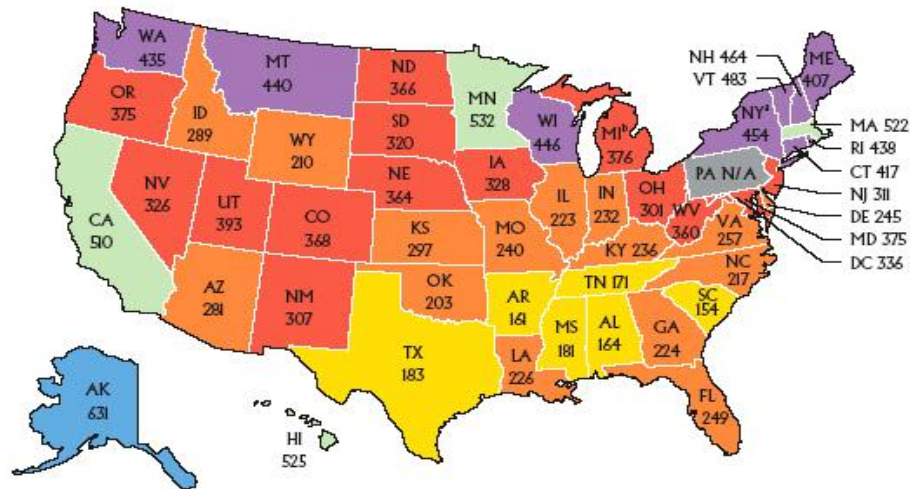
- Increases access to government
- Local problems can be solved locally
- Hard for political parties or interest groups to dominate all politics

- Disadvantages for Democracy

- States have different levels of service
- Local interest can counteract national interests
- Too many levels of government and too much money

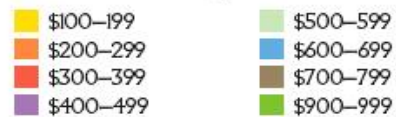
# Understanding Federalism

**Figure 3.3 Diversity in Public Policy: State Welfare Benefits**



Because the American federal system allocates major responsibilities for public policy to the states, policies often vary in different locations. This figure shows that for the emotionally charged issue of welfare, different states have adopted quite different policies.

Average Monthly Welfare Grant  
for a Family, 2002



There is no state in the \$800–899 range.

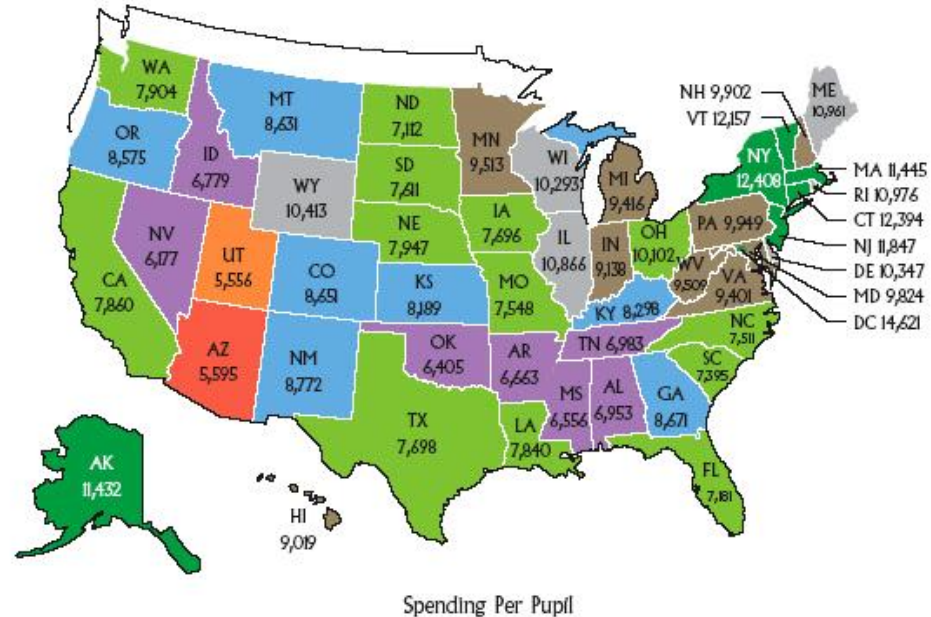
Source: House Ways and Means Committee, 2004 Green Book.



# Understanding Federalism

**Figure 3.4 The Downside of Diversity: Spending on Public Education**

The downside of the public policy diversity fostered by federalism is that states are largely dependent on their own resources for providing public services; these resources vary widely from state to state. This map shows the wide variation among the states in the money spent on each child in the public schools.



Source: U.S. Department of Commerce, *Statistical Abstract of the United States, 2006* (Washington, DC: U.S. Government Printing Office, 2006), 164.



# Understanding Federalism

**Table 3.3 The Number of Governments in America**

GOVERNMENT LEVEL	NUMBER OF GOVERNMENTS
U.S. government	1
States	50
Counties	3,034
Municipalities	19,429
Townships or towns	16,504
School districts	13,506
Special districts	35,052
<b>Total</b>	<b>87,576</b>

Source: U.S. Department of Commerce, *Statistical Abstract of the United States, 2005–2006* (Washington, DC: U.S. Government Printing Office, 2006), 272.

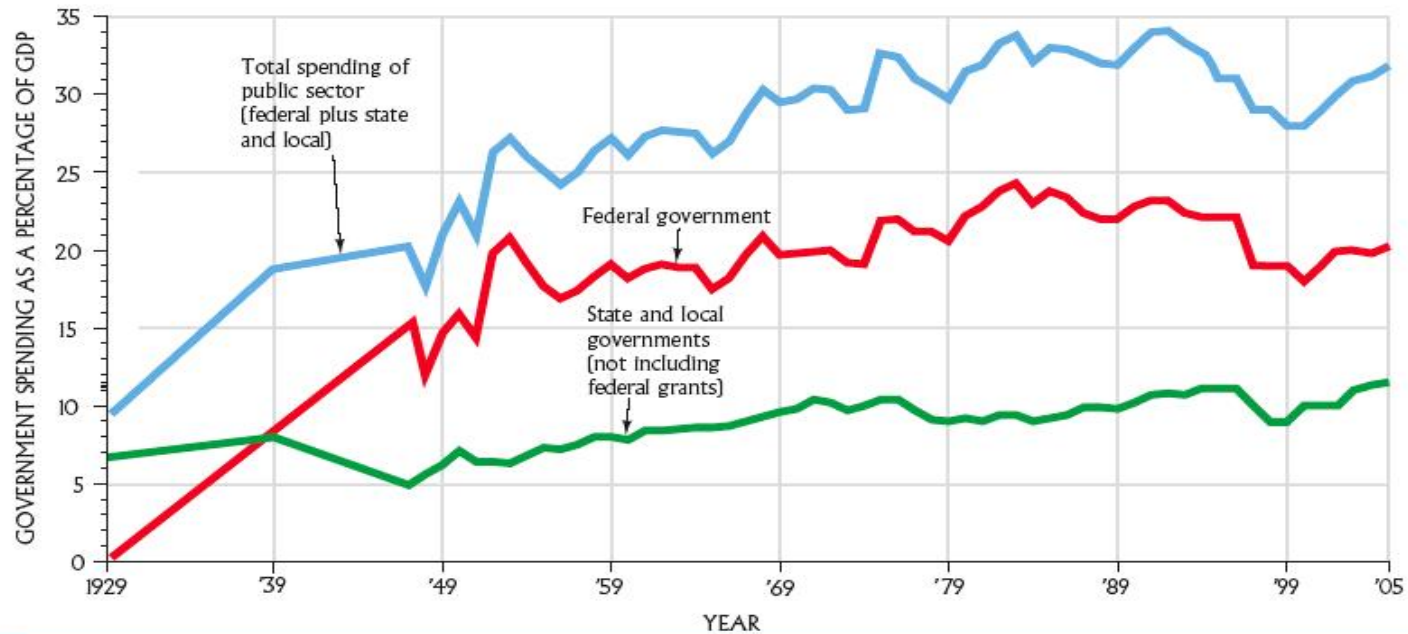
# Understanding Federalism

- Federalism and the Scope of Government
  - What should the scope of national government be relative to the states?
    - National power increased with industrialization, expansion of individual rights, and social services.
    - Most problems require resources afforded to the national, not state governments.

# Understanding Federalism

**Figure 3.5 Fiscal Federalism: The Public Sector and the Federal System**

The federal government's spending increased rapidly during the Great Depression and World War II. In recent years, the role of both federal and state governments has increased slightly.



Source: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2007: Historical Tables* (Washington, DC: U.S. Government Printing Office, 2006), table 15.3.

# Summary

- American federalism is a governmental system in which power is shared between a central government and the 50 state governments.
- The United States has moved from dual to cooperative federalism; fiscal federalism.
- Federalism leads to both advantages and disadvantages to democracy.