

James Q. Wilson
John J. DiIulio, Jr.

AMERICAN ELEVENTH EDITION
GOVERNMENT

Chapter Three

Federalism

Why “Federalism” Matters

- Federalism is behind many things that matter to many people:

- Taxes

- _____

- _____

- _____

- Health insurance

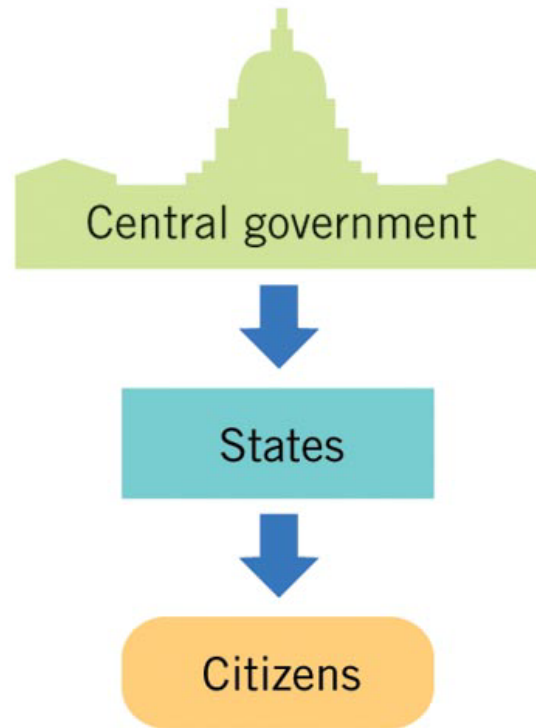


Governmental Structure

- **Federalism**: a political system in which ultimate authority is _____ between a _____ government and _____ or regional governments.
- **Unitary System**: local governments are _____ to the national government
- **Confederal/Confederation**: a political system in which _____ or regional governments retain _____ except for those powers that they expressly delegate to a central government.

Figure 3.1: Lines of Power in Three Systems of Government

UNITARY SYSTEM



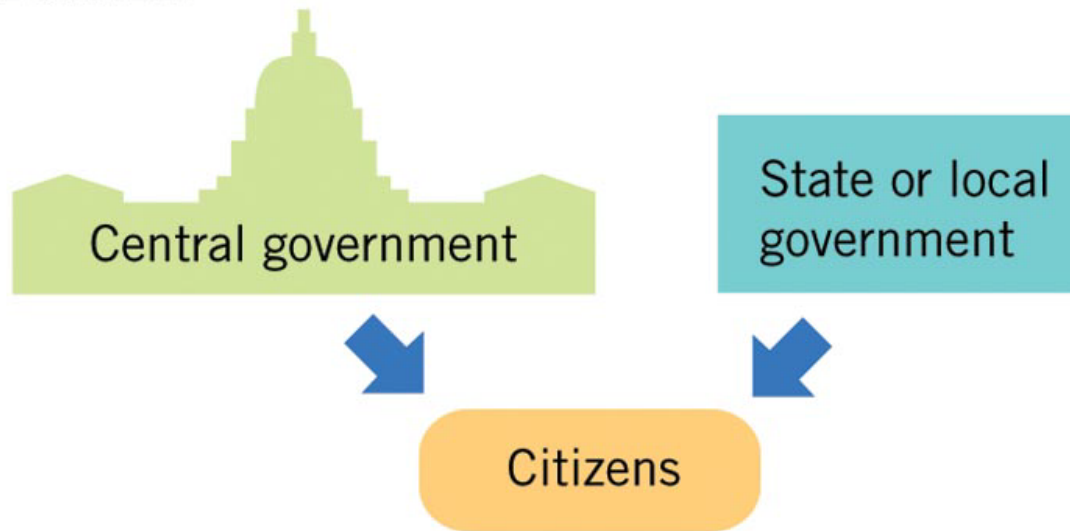
Power centralized.

State or regional governments derive authority from central government.

Examples: United Kingdom, France.

Figure 3.1: Lines of Power in Three Systems of Government

FEDERAL SYSTEM



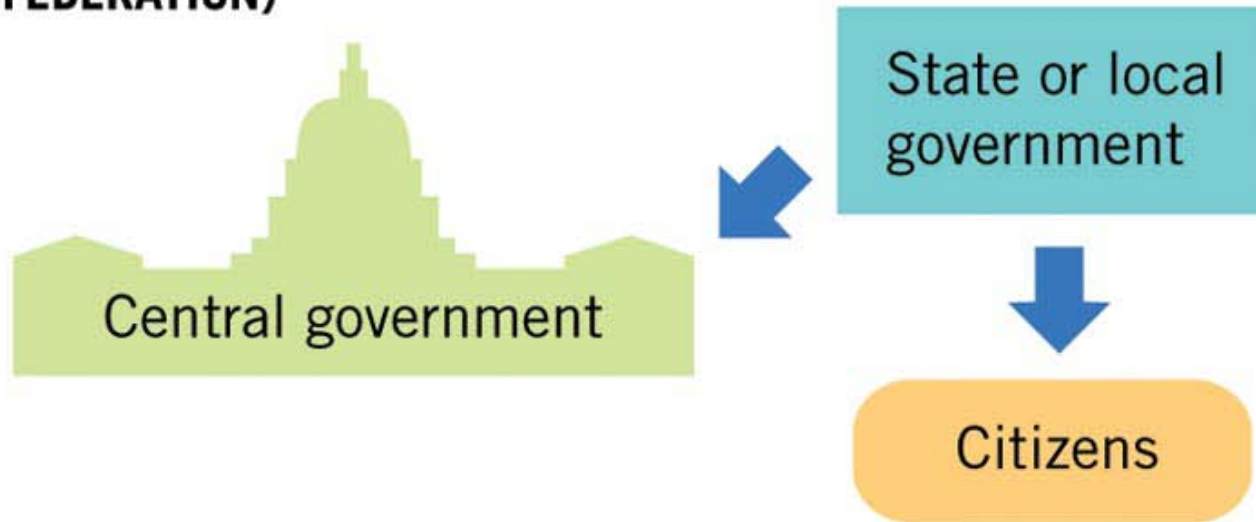
Power divided between central and state or local governments. Both the government and constituent governments act directly upon the citizens.

Both must agree to constitutional change.

Examples: Canada, United States since adoption of Constitution.

Figure 3.1: Lines of Power in Three Systems of Government

CONFEDERAL SYSTEM (or CONFEDERATION)



Power held by independent states.
Central government is a creature of the constituent governments.
Example: United States under the Articles of Confederation.

Federalism: Good or Bad?

- **Bad:**

- Source of _____ and/or _____, particularly during times of crisis
- Impedes _____ and caters to _____ interests

- **Good:**

- Contributes to governmental _____, political _____, and fosters individual _____
- Federalist #10 - small political units allow all relevant interests to be heard in a large republic
- Federalism _____ political activity

Federalism: A Bold New Plan

- No historical precedent! We were the first!
- **Tenth Amendment** was added as an afterthought to clarify the limits of the national government's power in relation to the states

“The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are _____.”

- However, **Elastic** language in Article I:

“Necessary and Proper” Clause _____!!!

When there are power _____ between Federal Government and States

->->-> courts become the _____

Stu's Views © 2002 Stu All Rights Reserved www.stus.com



Debating the Meaning of Federalism

- *McCulloch v. Maryland* Case (1819)



- In *McCulloch v. Maryland* (1819) the Supreme Court ruled that Congress had implied powers under the Necessary and Proper Clause of Article I, Section 8 of the Constitution to create the Second Bank of the United States and that the state of Maryland lacked the power to tax the Bank. *McCulloch* gave Congress broad discretionary power to implement the enumerated powers. This case outcome can be seen as a confirmation of the supremacy of the federal government.

- ❖ Could Congress charter a national bank?

- _____, even though this power is not explicitly in the Constitution (_____ and _____ Clause)

- ❖ Could states tax the national bank?

- _____, because “the power to tax is the power to destroy” (_____ clause)

The “Necessary and Proper Clause” AKA The “**Elastic Clause**”

➤ *“To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof.”*

➤ What the heck does this mean???

➤ It means A LOT!!

A major _____ of Federal power

➤ this gives the federal govt. _____ powers (not specifically spelled out in the Constitution like _____ powers are)

➤ means Congress can create any law that it deems “necessary and proper” to carry out the powers given in the Constitution.

➤ This really gives the Congress a great deal of power to decide what they think is needed.

➤ “Why should the govt. be able to tap your phone lines?because it is _____ and _____ to protect citizens from terrorists.

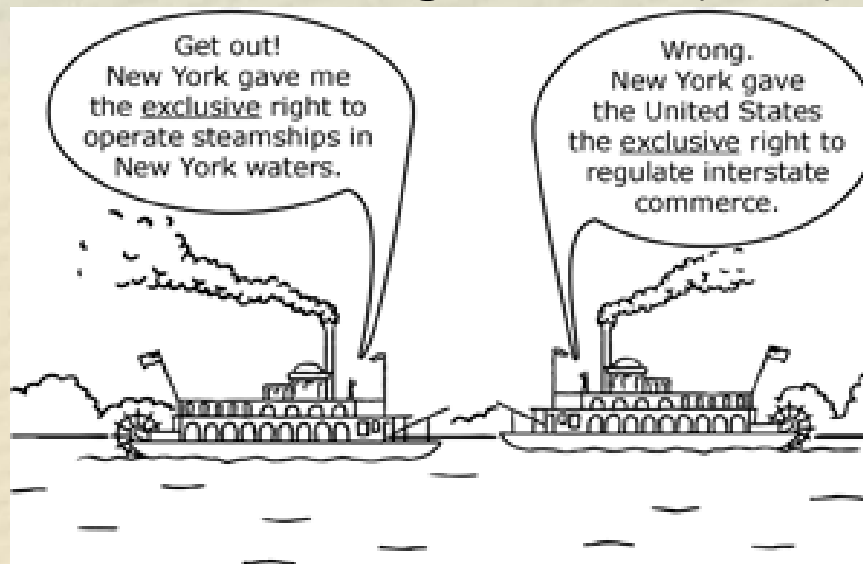
The Commerce Clause

- *“To regulate Commerce with foreign Nations, and among the several States, and with Indian Tribes”*

What the heck does this mean?

It means A LOT!!!! **another _____ of Federal power**

Gibbons v Ogden case (1824)



Over time the courts sweeping definition of _____ has brought an extension of federal authority into many areas of American life

Dual Federalism

- Belief that the national government is supreme in its sphere, but the states are _____supreme in theirs.
- These spheres should be kept _____
- This idea has been pretty much _____, particularly in the area of commerce.
- However, recent Supreme Court decisions have moved to _____ states' rights.

Dual Federalism=
Layer cake

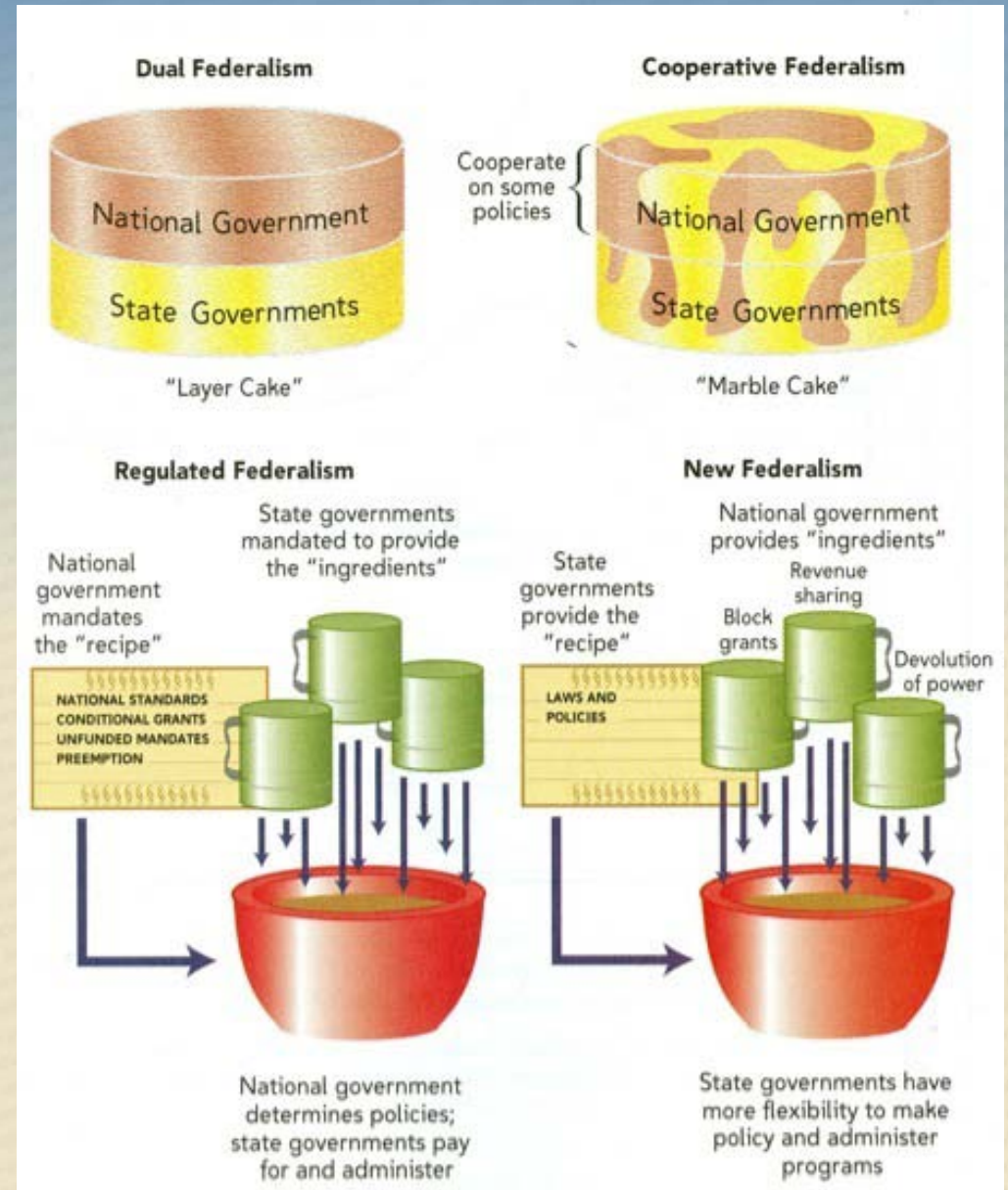
Cooperative Federalism =
Marble Cake

Regulated Federalism

-> feds often give \$ but create the rules

**New Federalism/
Fiscal Federalism**

-> effort to return more power to states



- The intentions of the framers are clearly communicated by the _____ (Reserved powers to the states). However, this relationship has changed over time.
- During the early national period the _____ settled many early conflicts in favor of the federal government.
- Today, the relationship among states and federal government reflects a shift of _____ toward the _____--the **1996 Personal Responsibility and Work Opportunity Reconciliation Act** (the _____ Act) is an important example of this trend.
- In the current era, the federal government is increasingly seen as the _____ and the state governments as the _____.
- This has led states to demand more funding from the federal government--where the states feel that insufficient funds have been supplied by the federal government, the states accuse the federal government of issuing “_____”.

Federal-State Relations



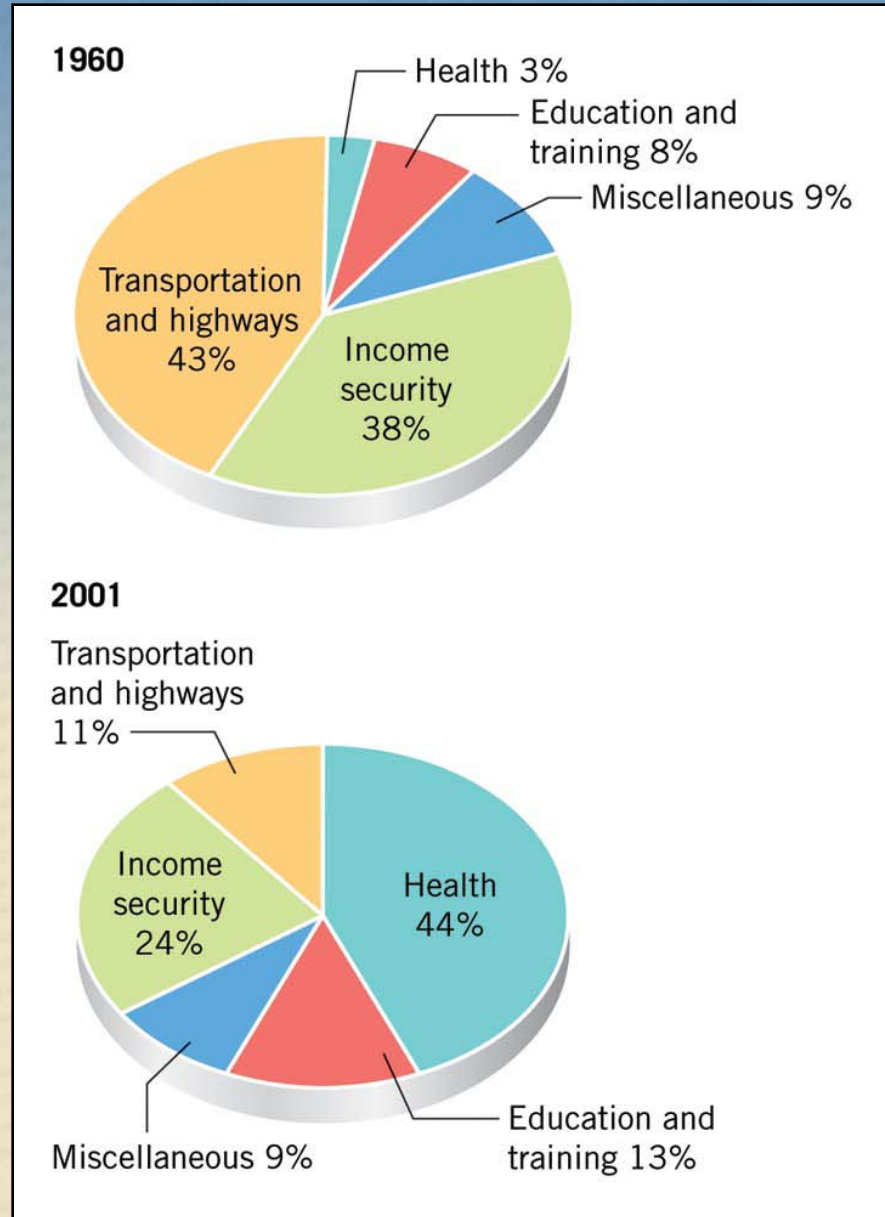
- Grants-in-aid:

- > _____
- Dramatically increased in scope in 20th century
 - Attractive to states for both economic and political reasons
 - Federal activists work with intergovernmental lobbying groups to determine how and when grants are awarded

Federal-State Relations

- **Categorical grants:** for _____ purposes defined by federal law; often require local matching funds (Head Start, Food Stamps, Medicaid). Used most often.
- **Block grants:** devoted to _____ purposes with few restrictions—states preferred block to categorical grants (education, law enforcement, community development) Reagan increased. Called block because they bundled many categorical grants into large blocks of \$.
- **Revenue sharing:** requires no matching funds and can be spent on _____ governmental purpose...intended to send \$ to poorer, heavily taxed states (ended in 1986)

Figure 3.2: The Changing Purpose of Federal Grants to State and Local Governments



Budget of the U.S. Government, Fiscal Year 2005, table 12.2.

Table 3.1 Federal Grants to State and Local Governments (Federal Fiscal Year 2006)

	Amount (\$ billions)	Share of Total
Medicaid	\$192.3	42.8%
State Children's Health Program (SCHIP)	5.8	1.3%
Other health programs	12.5	2.8%
Health total	210.6	46.9%
Temporary Assistance to Needy Families (TANF)	17.4	3.9%
Housing and urban development	31.3	7.0%
Other income security	45.0	10.0%
Income security total	93.7	20.9%
Education, training, employment, and social services	60.3	13.4%
Highway aid from the Highway Trust Fund	32.6	7.3%
Other transportation aid	14.1	3.1%
Transportation total	46.7	10.4%
Community and regional development	22.3	5.0%
Other federal grants	15.6	3.5%
Total federal grant outlays	\$449.3	100.0%

Source: Budget of the U.S. Government, Fiscal Year 2007, table 12.3.

Federal Aid and Federal Control

- **Mandates:** federal rules that states or localities must _____, whether or _____ they accept federal grants (not always funded eg. class sizes)
 - When the federal government spends less on a preferred policy, it will pressure the states to spend more in that area
- **Conditions of aid:** tell state governments what they _____ if they wish to receive grant money

A Devolution Revolution?

- During Reagan's presidency, efforts were made to consolidate categorical grants and change them to larger "_____", which have fewer strings attached to them.
- This was the beginning of the _____ effort, which aimed to pass down many federal functions to the states
- Recent studies show that the success of devolution was limited
- * _____ was successfully changed from a federal entitlement program to a state-run program funded by block grants.

The Devolution Revolution

- **Second-order devolution:** the flow of power and money from the _____ to _____ governments
- **Third-order devolution:** the increased role of _____ organizations and private groups in policy implementation

Congress and Federalism

- Members of Congress represent conflicting constituencies- the _____ and the _____ as a whole
- The _____ of parties increases political competition
- Americans differ in the extent to which we like federal versus local decisions
- _____ is the states' assertion that they should have the power to declare Federal Laws unconstitutional.