

AN INFORMATION REPORT

State Administrators' Opinions on Administrative Change, Federal Aid, Federal Relationships



**ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS**

Washington, D.C. • December 1980

M-120

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PREFACE

In the fall of 1978, the American State Administrators Project, directed by Deil S. Wright at the University of North Carolina, surveyed a key group of participants in contemporary intergovernmental relations—the top-level administrators of the 50 American state governments. The survey sought facts about the heads of state administrative agencies and their perceptions of developments in state government, including relations with the local and federal governments. Since these are matters of continuing interest to the ACIR, and have special relevance to a current ACIR study of the role of state governments, the Commission entered into an agreement for the directors of the survey to prepare an analytical and interpretative report on three general topics covered in their poll: administrative change, federal aid, and federal relationships. Their report is presented in this volume.

The survey data are questionnaire replies from almost 1,400 heads or directors of 65 to 70 different agencies in the 50 states. They represent a

42% response from the total of about 3,300 state administrators to whom mail questionnaires were sent.

The survey is the latest of a series of similar polls dating back to the mid-1960s. The report therefore is able to trace trends on a number of issues which were probed in identical or similar form in surveys conducted in 1964, 1968, and 1974. Responses from the 1974 survey were analyzed in Chapter IV of the ACIR's 1977 report, *The Intergovernmental Grant System as Seen by Local, State, and Federal Officials* (Report A-54).

The views of top officials at each level of the federal system must be weighed in arriving at a balanced assessment of how the total system is really working. Perceptions of these state agency heads, "administrators in the middle," are well worth pondering.

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Abraham D. Beame
Chairman

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THE IMPACT OF THE PROPOSITION 13 MOOD

From 1964 through 1974 there was a gradual decline in the proportion of administrators opposing an expansion of overall state programs and outlays. In 1978, however, a dramatic reversal occurred, indicating the message of Proposition 13 had reached agency heads. Yet, they were expressing their views on expanding state services, while Proposition 13 was a move for reducing taxes and outlays. Also, as many as 46% of the state administrators thought that there should be some expansion of state services. Thus, while the signal of budget restraint was received by most administrators, there was hardly a Proposition 13 "fever" rampant among them. Moreover, when asked whether they thought their own agency's activity should be expanded, the percentage saying "no" rose only slightly over 1974.

- Agency heads in 1978 were more likely to adopt a less ambitious, aggrandizing posture on increasing federal aid than in earlier years. But even here, the Proposition 13 psychology impact was modest—a majority were still inclined toward an enlargement of federal aid.

- State administration is not monolithic and there are sharp interagency differences of perspective on policy issues. Nearly 80% of administrators heading Staff agencies believed that state programs and spending should be restrained. In contrast, administrators heading the people-oriented agencies (Criminal Justice and Human Resources) were prominent in their expansionist tendencies. Similarly, Staff agency heads were least in favor of enlarging federal aid while the people-oriented agency heads were most in favor.

AGENCY PRIORITIES, INNOVATIONS, INTERSTATE EVALUATIONS

- State administrators recorded major changes in their agencies' priorities in both 1974 and 1978, underscoring the dynamic character of state administrative operations in that period. In both years, nearly two-fifths reported that "moderate" shifts had occurred and another two-fifths said their agencies had experienced major shifts in program priorities. Over two-thirds identified internal agency dynamics as a source of these shifts, with legislators constituting the next most important source.
- Program innovations also were traced to the individual agencies themselves. Intergovernmental sources ranked well down the list as the stimulators of innovations.
- Administrators ranked California the state with the most outstanding programs in the various functional fields, by a considerable margin. New York was second, followed closely by Texas and Michigan. California was also the state that administrators most frequently compared themselves with in assessing their own progress or performance. New York, Michigan, and Minnesota were next highest. Administrators also contacted their California counterparts most frequently for advice and counsel, followed

by Minnesota, Michigan, Texas, and Pennsylvania.

THE FEDERAL GOVERNMENT'S IMPACT

- A majority of administrators whose agencies received federal aid reported increases in federal aid over the past five years, but not extraordinarily large ones. There was no consistent pattern in their views on whether the form and extent of aid increased or decreased their administrative discretion.
- The administrators were increasingly involved in the federal aid process. In 1978, 74% reported that their agencies received aid, compared to 64% in 1974 and 53% and 34% in 1968 and 1964, respectively. Thus, although the percentage of state general revenue made up of federal aid has hovered in the 25-30% range in the past several years, the impact and penetration of federal aid among state administrative agencies had changed dramatically. Yet, there was a slight drop from 1974 to 1978 in the percentage of administrators desiring increased federal aid. This may reflect a general decline of agency heads' support for expansion of government programs, but also could reflect a degree of disenchantment with the aid system in general.
- Despite notable shifts in the character and content of federal aid policies during the 1970s, the results from the 1974 and 1978 surveys revealed only minor and slight changes in the degree of state agencies' immersion in the federal aid process. That immersion is measured by a composite score based on the number of types of aid received (complexity), the number of federal agencies from which aid is received (diversity), and the proportion of an agency's budget derived from federal aid (dependency).
- State agency heads believed as strongly in 1978 as they did in 1974 that federal aid leads to "national interference in affairs that are the appropriate domain of the

states.” Yet, a substantially smaller percentage (57%) felt that federal aid led to skewing of state programs in 1978 than in 1974 (74%). Fifty percent in 1978 believed that federal aid increased state tax efforts (up from 49% in 1974), and 17% believed it caused a decrease (up from 12%). There was an almost equal division in 1974 and 1978 on whether the national government should set strict performance standards for federally funded programs.

- Administrators believed that federal involvement was higher than it should be in program policies, administrative operations, evaluation of results, personnel policies, and organization structure. They believed that actual involvement extended well beyond that desired in program policies, administrative operations, and personnel matters. Evaluation of program results, they felt, had the highest degree of federal involvement, but they did not feel this was improper.
- A growing proportion of administrators—from 1964 through 1978—said that without federal “strings” attached, they would allocate aid moneys differently. This shift possibly was a by-product of their heightened sensitivity to the shortcomings of categorical grants. But the underlying problem of strings had not been alleviated by the increased importance of block grants and General Revenue Sharing (GRS).
- Significant proportions of state agency heads viewed federal aid as exerting a noteworthy fiscal presence in the operations of their agency, in terms of displacing state funds that they might otherwise have received. Displacement clearly most often was associated with categorical rather than block grants.
- The comparative attractiveness of the three types of aid—GRS, blocks, and categoricals—had changed little since 1974, with expansion of the first two still preferred, though the block grant appeared to be losing some of its appeal. Overall, the three types of aid appeared to meet diverse operating needs in state agencies.
- Human Resources agency heads felt most strongly of all the functional groups that

categorical and block grants were “too little;” the Staff and generalist officials were the leading advocates of expansion of GRS. The greater the degree of an agency’s involvement in federal aid, the stronger the agency head’s view that block grants were too little.

- A substantial portion of state agency heads (almost one-fourth) appeared uninformed about the recent dramatic increase in direct federal-local aid—almost a quadrupling from 1972 to 1977. Most were agency heads who had a few state-local contacts or were not federal aid recipients. Forty-four percent of all the respondents felt that direct federal-local aid had displaced or decreased locally raised funds. Only about one-fourth believed that their state had reduced its fiscal effort on behalf of local government because of rises in federal-local aid.
- Channeling federal-local aid through state government—once considered almost an article of faith among state officials—had lost some of its appeal and support among administrators. Slightly over 60% favored channeling in 1978. This was down considerably from 81% in 1974. “One likely explanation is that federal-local bypassing. . . has become so extensive that greater numbers of state officials have arrived at a position of simple acquiescence.” On a functional basis, Human Resources and Criminal Justice administrators were most strongly in favor of channeling. Support for channeling increased with the agency’s federal aid involvement.
- Since 1964 there had been little change in the proportion of state administrators—nearly 50%—who believed that their agency operations were less subject to supervision by the Governor and legislature in federally financed activities than in activities financed solely by the state.
- State administrators had mixed perceptions of the degree to which federal supervision and oversight of grant programs had contributed to improved standards of administration and service in the states.

About 40% in both 1974 and 1978 found some improvement due to the federal presence, almost as many saw no discernible effects, while nearly 20% reported a negative effect.

- Staff and generalist officials were least convinced that federal supervision had produced program improvement; people-oriented agency heads (Human Resources and Criminal Justice) were most convinced. The positive view on the effect of federal supervision increased with the agency's involvement in federal aid.
- Federal efforts at grant management reform were not a smashing success, according to

the administrators, but they were rated as "fair" or "good" by the vast majority who were aware of them. Staff agency administrators were most aware of these efforts, Criminal Justice administrators were least aware. Awareness was directly and positively related to the agency's involvement in federal aid.

- Slightly over one-third of the administrators reported that federal court decisions had required significant alterations in their administrative procedures and policies, while 36% said that such decisions had required significant alterations in their substantive programs or the establishment of new ones.

STATE AGENCY HEADS AND ADMINISTRATIVE CHANGE: SERVICE LEVELS, PROGRAM SHIFTS, SOURCES OF INNOVATION, AND INTERSTATE EVALUATIONS

Passage of California's Proposition 13 in June, 1978, raised the possibility that the late 1970s and early 1980s would bring widespread efforts to reduce funding of public programs and agencies. Perhaps for the first time since the 1920s, it appeared likely that a serious peacetime effort would be made to reduce the scope of public services.

It was not long after the California vote that some analysts expressed doubts about whether an important turning point had been reached. They pointed to California's large state surplus and noted that its taxes could be reduced sharply without a service reduction. Actions by other states' voters in November raised further doubts. The results of tax cutting efforts were mixed. There was not a uniform nationwide willingness to vote for such cuts. Public opinion surveys suggest a possible reason. Although opposition to taxes had risen, there was still support for public programs. An underlying theme of public sentiment was that tax reductions could be made without service reductions. Where large surpluses were present, that might prove possible. Surpluses could absorb cuts. Elsewhere, however, public agencies might be required to increase efficiency, make shifts in agency priorities, and develop innovative program improvements.

The 1978 American State Administrators Project (ASAP) explored by means of a nationwide mail survey the attitudes of state agency heads relevant to the growth and scope of public services. It also sought information on the extent of

recent changes in the program priorities of state agencies and the sources which initiated such shifts. The survey further probed aspects of administrative changes by asking state agency heads about what sources were important contributors of new ideas to the improvement of agency programs. A final problem addressed in the 1978 survey and considered in this chapter is the matter of administrators' comparative judgments about program performance and interchanges among the states. Service levels, program shifts, innovation/improvement sources, and interstate evaluation form the four themes around which this chapter is organized.

SERVICE LEVELS: ADMINISTRATIVE AGGRANDIZEMENT?

6 It is commonplace to observe that state government has been one of the most dynamic segments of the public sector during the past two decades. In the 15 years from 1963 to 1977 state general revenues increased by a multiple of nearly six from \$31 billion to \$170 billion. This represents an average annual increase of about 12% per year. Over the same time span state employment levels (full-time equivalent) nearly doubled from 1.5 million to 2.9 million. This rise represented an average annual employment increase of about 4.5%.

What attitude changes accompanied and perhaps fostered these increases in revenue and employment levels? Are top state administrative officials one subset of a larger collection of public officials who have been called "acquisitive aggrandizers?" How do state agency heads feel about the expansion of state services and expenditures? What positions do they take on the expansion of services, programs, and expenditure of their own agency? How do current (1978) opinions on these issues compare with those of state agency heads in the 1960s and early 1970s? Table 1 provides tabulations of 1964-78 data that form the basis for discussing these questions.

The two subsets in Table 1 represent the responses to two types of questions posed to the state agency heads across the four surveys. One inquired about expansionist preferences concerning the level of overall services, programs, and outlays. The second asked for opinions on expansion of the administrator's own agency's services, programs, and outlays. In surveys prior to 1978

the former question offered an array of expansion levels if the agency head indicated an affirmative response on increasing service levels. This array was omitted from the 1978 question.

The most striking feature of the data on overall expansion appears in the row responses marked "None." The figures show the proportion of agency heads who indicated that they were opposed to any expansion of state services and expenditures. From 1964 to 1974 the proportions giving this response dropped from one-third to about one-fifth. But in the short space of four years from 1974 to 1978 a dramatic reversal of trend occurred. Over one-half (53%) of the 1978 respondents opted for no expansion. Evidently the message of Proposition 13 reached state agency heads!

The "message" of Proposition 13, of course, is mainly interpreted as a reduction in taxes or outlays. These data, in contrast, show only a sharp drop in whether there should be an expansion of state operations. The absence of Proposition 13 "fever" among state administrators could be inferred from the 1978 figures in which nearly half (46%) of the agency heads expressed the view that there should be some expansion of overall services, programs, and expenditures.

The strength of expansionist tendencies is greater, of course, where an administrator's own agency is involved. This is evident from the set of figures in the lower portion of Table 1. In 1964 only one-fourth of the agency heads said no to an inquiry about expanding their own agency's activities. By 1974 this fraction had dropped (to 15%) but under the apparent mood of public sentiment, there was a modest rise to 21% saying no to expansion in 1978.

At the other end of the spectrum were the most active aggrandizers, those who preferred expansion of their own agency service levels by 15% or more. In 1964 nearly one-third expressed this opinion on desired expansion and by 1974 the proportion was approaching 50%. Events between 1974 and 1978, including but not limited to Proposition 13, prompted a shift in the direction of declining expectations. Slightly less than one-third preferred this degree of expansion in 1978. Indeed, the distribution of responses in 1978 is strikingly similar to the one in 1964. There is no hint contained in this comparison, however, that state agency heads' attitudes signify the return of state administration to the seemingly halcyon

days of the early 1960s. In public administration as well as in personal life and literature, "you can't go home again."

One further contrast is evident in Table 1. For 1978 over 75% prefer some degree of expansion in their own agency's activities but over half oppose the expansion of the aggregate level of state services and outlays. This aggregate versus individual level inconsistency is reminiscent of the proverbial politician who is for economy (budget cuts) in the abstract or everywhere—as long as it does not affect his home district. There is no way to resolve this attitude dissonance. It is common for self (agency) interest to overshadow common (state) interest. Perhaps the most intriguing line(s) of analysis would be an assessment of where the aggregate versus own-agency inconsistencies are clustered. Do more "hardware" type agency heads, e.g., transportation, prefer own-agency expansion in the context of a lid on overall state services?

Or are these contrasting attitudes more prevalent among "software" type agency heads, e.g., education, health, welfare?

Two conclusions are clear from the aggregate versus agency distributions. First, the politics of agency expansionism is now very different from the 1960s and early 1970s. With majority sentiment by administrators favoring aggregate ceiling and a larger majority favoring individual agency expansion, there is a zero-sum service-level "game" being played out at the state level. It seems likely that administrative opportunities for getting a "fair share" of an expanding base are far less likely than in the past.

Second, public opinion and reactions against taxing-spending levels do appear to have penetrated the thought and attitude processes of state agency heads. Proposition 13 and other events have prompted state administrators to trim their expansionist sails.

Table 1

STATE ADMINISTRATORS' ATTITUDES TOWARD THE EXPANSION OF STATE PROGRAMS AND EXPENDITURES: OWN AGENCY AND OVERALL STATE PROGRAMS/OUTLAYS, 1964, 1968, 1974, AND 1978

Overall State Programs/Outlays		(Percent)			
Extent of Increase	1964	1968	1974	1978	
None	33	23	21	53	
Up to 5%	7	9	6		
5-9%	21	21	12		76 → 46
10-14%	19	19	20		
15% or more	18	26	38		
N.A.	2	2	3	1	
	100	100	100	100	
Own Agency Programs/Outlays		(Percent)			
Extent of Increase	1964	1968	1974	1978	
None	25	18	15	21	
Up to 5%	8	9	5	13	
5-9%	17	16	11	15	
10-14%	16	17	20	18	
15% or more	31	37	45	31	
N.A.	3	3	4	2	
	100	100	100	100	
N =	848	953	1,581	1,388	

SHIFTING PROGRAM PRIORITIES

For many years the literature on programs, service levels, and budgets has emphasized the incremental nature of administrative change. Programs and outlays changed only "at the margin," it was argued. Recently the conventional wisdom of incrementalism has been challenged, chiefly by empirical studies that disaggregate the concept of change, i.e., look at small or discrete program components within an agency's overall budget.

This degree of detail and disaggregation was not directly accessible to us by means of a mail questionnaire instrument. We were, however, able to pursue the question of program change indirectly, albeit subjectively. We did this with identical questions in 1974 and 1978 that asked the state agency heads the degree to which agency program priorities had shifted within the prior four or five years. Responses to the same question in the two surveys produced the figures presented in *Table 2*.

The extent to which only incremental shifts have occurred in state agency program priorities is striking because of the near absence of merely "marginal adjustments." In both 1974 and 1978 about two-fifths of the administrators indicated that major shifts had taken place in the prior four or five-year span. This lengthened time period might be used by incrementalist advocates to contend that annual incremental changes could produce "major shifts" in program priorities over

Table 2

EXTENT OF CHANGES IN PROGRAM PRIORITIES REPORTED BY STATE ADMINISTRATORS, 1974 AND 1978

Shifts in Program Priorities (past 4-5 years)	(percent)	
	1974	1978
None	3	2
Minor Shifts	17	18
Moderate Shifts	37	39
Major Shifts	42	39
N.A.	1	2
	100	100
N =	1,581	1,388

Table 3

SOURCES FROM WHICH INITIATIVES COME FOR PROGRAM CHANGES

Source	Percent of Administrators Designating the Source
Agency Staff	69
Legislators	55
Governor	40
National Government Officials	36
Clientele Groups	28
Local Government	13
N =	1,388

four to five years. The incremental proponent might also argue that the subjective nature of measuring change could permit bias by opening the way for administrators to see more change than might be measured by objective indicators, e.g., budget shifts.

Regardless of how the issue of incrementalism is resolved, it is impressive to note the extent to which state administrators perceive their agency's priorities to have changed. Insignificant proportions indicate no shifts and less than 20% identify only minor shifts. Nearly two-fifths reported that "moderate" shifts had occurred while the remaining two-fifths placed their agency in the category of undergoing major shifts in program priorities. Once again the similarity of the distributions for 1974 and 1978 is evident.

The extent of program shifts in both 1974 and 1978 underscores the dynamic character of state administrative operations. The parallel data between the two time periods also suggest that the degree of dynamism has persisted, at least in the aggregate, throughout the 1970s. Regrettably, data for the 1960s are not available.

The degree of program change is notable. But of equal or greater note is the confluence of forces or actors that initiated or pressed for the shifts in program priorities. The 1978 survey asked the administrators to indicate any (or all) of the sources from which initiatives came that produced the altered priorities. The sources listed in *Table 3* were those presented to the administrators.

Table 3 also shows the proportion of all responding administrators who indicated that the particular actor(s) was (were) a source of initiatives for inducing program change. (The respondents were permitted to check one or all of the sources.) It is evident from Table 3 that internal agency dynamics are an important locus of change for state agencies. Over two-thirds of the agency heads indicated this as a source that originated program priority shifts. Of added interest and note is the fact that legislators were the only other category of actors indicated by a majority of respondents as being a source pressing for program changes. The Governor was indicated as a source of change by only 40% of the state administrators.

Among the three other sources initiating change the national government was the most frequently mentioned. In the aggregate, at least, national officials approach the role of the Governor as a source for initiating changes in state agency program shifts. Clientele groups were mentioned only slightly less often. Local government officials, as a category, clearly trailed all others as a source that initiates program shifts within state agencies. This may be a function of the relatively few state agencies that deal extensively with local officials. It may also be a product of the perspectives of state agency heads, i.e., the tendency to downgrade or depreciate the abilities and influence of local government officials.

SOURCES OF PROGRAM INNOVATION

Many actions taken by state agencies do not involve changes in program priorities yet they may significantly affect the character or content of agency operations. One type of action in this category is program innovation—the acquisition of new ideas that result in improved service, more equitable services, or more efficient use of resources.

Ideas for program innovation can come from a wide variety of sources. Twelve possible sources of new ideas were presented to state agency heads in the 1978 survey. The respondents were asked to rank the several sources according to the extent to which each source was relied upon for new ideas resulting in program improvements. Table 4 lists all 12 sources of innovative ideas grouped in three broad categories. The table also lists the scores based on the administrators' rankings of

the sources. The scores are weighted frequencies, that is, they reflect both the rank and the frequency of mention made of each source. More specifically, the mention of a source is weighted by the rank given by each respondent, with 12 representing the highest rank and one the lowest. The sum of these scores for each source was then divided by the number of administrators ranking each respective source to obtain a mean score for that source—the score shown in Table 4.

Sources in State Government

Program innovation sources available to administrators from within their own governments are among the most important of the 12 sources. The four state government sources are rated higher than all intergovernmental sources and about equal to, or above, the highest ranked extra-governmental sources. Three of these—Governor, legislators, and intra-agency sources—have officially sanctioned roles in influencing agency actions, i.e., proposing ideas for program improvements. This is obvious for the Governor and legislature but it is no less true for intra-agency sources—the staff itself. All of these sources can do more than

Table 4

SOURCES OF NEW IDEAS FOR PROGRAM IMPROVEMENT

Source	Weighted Frequency of Rankings
Within State Government	
Within Your Agency	10.0
Legislators	5.9
Governor	5.5
Other State Agencies	5.0
Intergovernmental Sources	
Officials in Other States	4.6
National Government Officials	4.0
Local Government Officials	3.4
Joint Federal-State Agencies	3.2
Interstate Agencies	2.1
Extra-Governmental Sources	
Clientele Groups	5.8
Professional Associations	5.3
University Personnel	2.6

merely suggest new ideas; they can go far to encourage or mandate acceptance of them. Their high level of importance here, combined with the significance of these three sources on program priority shifts, no doubt results in large measure from this official control.

A fourth source included here—other agencies—is of lesser importance. But that source still exceeds all of the intergovernmental sources. State administrators rely heavily on sources that are a part of their immediate, formal organizational world for new ideas that are pertinent to the improvement of their agency's programs.

Intergovernmental Sources

10 This category includes five officially constituted sources of innovation that are outside the formal structure of state government. These are, in rank order of significance, (1) officials in other states, (2) national government officials, (3) local government officials, (4) joint federal-state agencies, and (5) interstate agencies. The first two sources are rated well above the other three, yet even those two are well below the ranking for the sources imbedded in the formal structure of state government.

These results suggest that intergovernmental boundaries tend to introduce organizational distance insofar as program innovations are concerned. Those boundaries appear to place these entities on the periphery of the program or policy "space" occupied by state administrative agencies. The two intergovernmental entities that rank highest in this group—other state and national officials—are most likely to be ones whose programmatic or functional links place them more within the attention span or policy space of the respective state agency heads.

Extra-Governmental Sources

Many administrative agencies are in constant contact with elements of their environment that are outside the official structure(s) of governmental organizations. Most important, many of them contact clients who depend on the agency for service or who are regulated by the agency. These clients usually are organized to deal with the agency and often have been instrumental in the creation, structuring, and support of the agency. These groups seek to influence the agency's de-

velopment and consequently may be sources of new ideas. This source—agency clientele groups—is so important that it is ranked third among the 12 presented. This source of new ideas is clearly a prominent element within the policy space of administrative agencies. It ranks only slightly below legislators as an innovation source and a little above the Governor.

Agencies, of course, are influenced by their own employees, too. This was established by the importance given "agency staff" as a power behind priority shifts and is emphasized again by the high rank administrators give to within-agency sources of new ideas. But, in many agencies, the staffs are composed of professionals who are, themselves, organized as local, state, or national associations. These associations are diverse and varied. They may engage in any or all of the following: accreditation of university programs for professionals; publication of professional journals; certification of individuals as members of the profession; lobbying for support of particular programs; representing members' economic interests; and supporting research on matters of interest to the profession. By engaging in such activities, the associations put themselves in positions of potential influence on state agencies. They may be near the center of an agency's policy space. Indeed, they may be a major source of information to some agencies and to individual agency employees. These professional associations rank fifth in importance in suggesting new ideas among the 12 sources. They trail the Governor only slightly and rank slightly above other state agencies as a source of new ideas for program improvement. It is evident that two "informal" sources of influence are noteworthy contributors to state agency program innovations.

The final extra-governmental source presented to administrators was "university personnel." (In the case of state universities, these are not really "extra-governmental" but are actually state agencies. It seems valid, however, to include them here along with private universities.) Specific sources within universities can be of a variety of types. Most obviously, many universities have government research bureaus established, in part, for the explicit purpose of providing assistance to governments in the state, although often their attention focuses on local government. But equally important, most professional schools attempt to maintain contact with practitioners of the profes-

sion in the workplace, through alumni connections or through provision of continuing education. Despite these efforts, administrators rank university personnel 11th out of the 12 groups as a source of program innovations. This does not seem surprising when one considers the high degree of applied specialization among and within state agencies contrasted with the generalist educational emphasis of most university activities.

In summary, state administrators reported that they primarily rely for new ideas on those who work for their agencies, on their professional associations, on the agencies' clients, and on the agencies' formal superiors—legislators and Governors. Other sources of ideas are of lesser importance, although none are irrelevant. In fact, even those ranked lowest were given a first place ranking by a few officials. But most dramatic is the heavy choice of within-agency sources for first place. Sixty-four percent of administrators designated it first.

INTERSTATE COMPARISONS AND EVALUATIONS

That some of the ideas for program innovations originate in other states has been established above. Officials in other states are the leading intergovernmental source of new ideas. It is unlikely, however, that the states relied on are uniformly dispersed across the nation. Recognizing this, we asked administrators to identify by name three states that would rank according to four different criteria. The four criteria items put to each responding state agency head were:

- 1) states with the best program in your field,
- 2) states with which you compare your own program performance,
- 3) states whose officials you most frequently contact for advice and counsel, and
- 4) states whose officials most frequently contact you for advice and counsel.

The first two items ask for comparative judgments or evaluations of other state's programs. The latter two items are contact-type queries in which advice and counsel relationships provide the pivot points for interstate comparative judgments.

Of the two items which asked administrators to compare state programs in their particular fields, the first asked for the three states that "have the most outstanding program(s) in your field." *Table*

5 displays a weighted score on this question for all 50 states (as well as scores on the other three questions). In constructing the weighted score, we assigned a value of three to a state if it was ranked first by a respondent, two if ranked second, one if ranked third, and zero if not ranked. These values were summed and the sum divided by the number of respondents answering the question. The resulting weighted scores have a potential range of zero to three. That is, if a state were not mentioned by any respondents its score would be zero, but if a state were ranked first by every respondent its score would be three. No state attained either extreme on any of the four questions.

The highest score was that of California on the first question, a score of .95. It was, by a considerable margin, the state with the most highly regarded programs. New York was second, with a score of .38 and it was followed closely by Texas and Michigan with scores of .34. At the other extreme were Delaware, Mississippi, and South Dakota, with scores of .01.

As perceived by state administrators, there are states whose programs stand markedly above those of their sister states. Twenty-one of the states were clustered near the bottom of the ranking, with scores of .05 and below. Twelve more had scores of .06 through .10. The remaining 17 states were the ones chosen with some frequency as having superior programs. These included all three states on the west coast along with Florida, Georgia, North Carolina, Virginia, Pennsylvania, New York, and Massachusetts from the east. Five more were in the upper midwest (Michigan, Illinois, Minnesota, Wisconsin, and Ohio). Texas and Colorado completed the list of the 17 "notables."

The second column of *Table 5* presents the states' scores based on the question: "Which states are ones you compare with in assessing your program progress or performance?" The range of scores is much narrower than in the first column. California again led, but with a score of .42. New York, Michigan, and Minnesota followed with scores of .27, .24, and .23, respectively. Only 12 states had scores of .05 and below, including Delaware with the low score of .02. Seventeen more scored .06 through .10, leaving 21 with higher scores. All the highly ranked states from the "outstanding" list are included here except Ohio, and five are added: Maryland from the east, Iowa from the upper midwest, along with Missouri, Utah, and Montana. The geographical

Table 5

PROGRAM EVALUATION COMPARISONS AND CONSULTATION CONTACTS BY STATE AGENCY HEADS AMONG THE 50 STATES

State	Weighted Comparison and Contact Scores			
	Most Outstanding	You Compare with	You Contact for Advice	Contact You for Advice
Alabama	.04	.07	.06	.11
Alaska	.02	.01	.01	.05
Arizona	.06	.08	.06	.08
Arkansas	.03	.03	.04	.05
California	.95	.42	.37	.14
Colorado	.13	.21	.18	.13
Connecticut	.06	.09	.08	.11
Delaware	.01	.02	.02	.06
Florida	.19	.15	.14	.10
Georgia	.11	.17	.18	.18
Hawaii	.03	.03	.01	.02
Idaho	.03	.08	.08	.13
Illinois	.24	.19	.15	.15
Indiana	.04	.05	.05	.08
Iowa	.07	.11	.11	.12
Kansas	.03	.07	.09	.10
Kentucky	.09	.07	.09	.10
Louisiana	.03	.04	.06	.06
Maine	.02	.09	.08	.10
Maryland	.08	.13	.15	.12
Massachusetts	.14	.13	.17	.15
Michigan	.34	.24	.20	.10
Minnesota	.31	.23	.23	.13
Mississippi	.01	.04	.04	.11
Missouri	.08	.12	.09	.10
Montana	.04	.12	.08	.15
Nebraska	.05	.09	.09	.16
Nevada	.02	.05	.03	.08
New Hampshire	.02	.07	.05	.09
New Jersey	.10	.08	.11	.10
New Mexico	.06	.07	.04	.06
New York	.38	.27	.13	.15
North Carolina	.14	.16	.16	.15
North Dakota	.03	.08	.08	.15
Ohio	.13	.10	.10	.11
Oklahoma	.07	.07	.07	.11
Oregon	.19	.20	.19	.16
Pennsylvania	.19	.18	.20	.18
Rhode Island	.03	.03	.04	.07
South Carolina	.08	.09	.10	.15
South Dakota	.01	.05	.05	.11
Tennessee	.08	.09	.09	.12
Texas	.34	.20	.21	.09
Utah	.06	.15	.11	.08
Vermont	.02	.06	.06	.09
Virginia	.11	.13	.14	.12
Washington	.17	.16	.12	.17
West Virginia	.03	.04	.04	.08
Wisconsin	.31	.21	.20	.12
Wyoming	.02	.05	.06	.12

spread of high rankings on this "with whom do you compare" question is much broader than was the spread of "outstanding" programs. This is eminently reasonable and understandable. Analysis of responses to a similar question on the 1974 survey revealed distinct regional clusterings of "program comparison." Also similar to the 1978 patterns there were a few states that were nongeographic or nationwide nominees as standards for program comparisons. Strong and selective regional clusterings were definitely evident in both surveys, however.

The next two questions addressed contacts that administrators have with their counterparts in other states. The first asked: "Which states' officials are ones you contact most for advice and counsel related to your program(s)?" The second was: "Which states' officials contact you most often for advice and counsel on their programs?"

The data reveal that California, in addition to having the most highly regarded programs and the ones with which administrators most frequently compare their programs, was also the state whose administrators were most likely to be contacted for advice and counsel. Again, following it at some distance, were Minnesota, Michigan, and Texas, and they were joined this time by Pennsylvania. New York, the second ranked state in the comparative lists, dropped to 16th as a source of advice. As in the preceding list, there were 12 states with scores of .05 and below. Not surprising, given geographic and other differences, the two states most seldom contacted for advice and counsel were Alaska and Hawaii. Eighteen states scored .06 through .10, with 20 having higher rankings. The list is the same as that of the second question, except that New Jersey appears as a frequently contacted state, and Montana and Missouri do not.

The final question produced a list quite different from others. This was expected, since the states with highly regarded programs probably are not the ones that are frequently contacting other states (especially lower ranked states) for advice and counsel. Georgia and Washington, two states whose programs are relatively well regarded but not among the very highest, were the states that scored highest in frequency of contacts for advice from other states. Their scores were .18 and .17, rather low in comparison to the leading scores in responses to the other questions. There were only three states with scores of .05 and be-

low, two at a great distance from other states they might contact (Alaska and Hawaii) plus Arkansas. Nineteen received scores of .06 through .10, with the remaining 28, scoring .11 through the top score of .18. It is interesting that most of the states with programs judged outstanding were in this higher group (14 of 17).

Are there certain states that seem to draw the attention of state administrators as they look at programs similar to theirs scattered over the nation? Are there certain states whose programs seem to serve as models for administrators in other states? The answer to both questions is "Yes." Omitting the last item (the identity of states whose administrators contact the respondent), there is a great deal of similarity in the state lists shown in Table 5. There were 16 states that scored over .10 on all three lists. These are all indicated above as being highly ranked for outstanding programs, with the exception of Ohio. These 16 states, clustered in the east, far west, and upper midwest, are those that draw the attention of state administrators. They are both national and regional "leaders" in the "polls" of interstate comparisons.

ANALYSIS OF ADMINISTRATIVE CHANGE: AGENCY DIFFERENCES BY FUNCTIONAL CATEGORIES

Our description of the changing attitudes and perceptions of state administrators has not, to this point, differentiated among "types" of state agency heads. We have suggested at various points that differences in preferences and perspectives are present among state administrators. Both a priori reasoning and empirical analyses can be cited as bases for expecting that the type of agency headed by the administrator is an important difference that deserves systematic attention.

Previous analyses of 1974 state administrator survey data demonstrated the existence of notable differences in administrator attitudes depending on the function of programmatic character of the agency headed by the respondent.¹ On an impressionistic, deductive basis one could also conclude, following "Miles' Law," that administrative change differs by type of agency and that the perception of the agency heads reflects these interagency differences. Miles' Law asserts that, "Where you stand depends on where you sit,"

and that differently positioned agency heads will report the contrasting change-realities that they confront.²

The 1978 survey secured responses from state administrators heading 75 different types of agencies. These 75 types were classified into 13 functional groupings and for more manageable analysis, presentation, and discussion, the 13 were clustered into six broad functional categories. The six and 13-category clusters of agencies are shown in the appendix together with a list of the full titles of all agencies in the 1974 and 1978 surveys accompanied by their respective numeric and alphabetic code designations. Cross tabulations were made (using the six-category scheme) with response data on service levels, changing priorities, and program innovations. The results are presented for discussion below.

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Service Levels: Satisfaction vs. Expansion

We noted that in 1978 a majority (53%) of state agency heads were satisfied with the level of overall state services and programs, i.e., they indicated no desire to expand state government programs or outlays. Table 6 shows that there was considerable variation in the views of top administrators, depending on the type of agency they headed.

Clearly the most "satisfied" administrators were those heading Staff agencies, e.g., budget, person-

nel, planning, purchasing. Nearly 80% opted for no expansion; less than 20% favored overall state expansion. These agencies, of course, are ones whose traditional roles have been to hold line agencies in check, i.e., to limit or contain the autonomy, scope, and growth of line departments. The figures for Staff agency heads confirm that these administrators (and presumably their agencies) are playing their historic role.

Two categories of agency heads were prominent as expansionist in terms of overall state services. Two-thirds of the Criminal Justice administrators and over 60% of the Human Resources agency heads indicated preferences for expansion. These two groups were in sharp contrast to Natural Resources/Transportation and Economic Development/Regulation administrators. To some degree there appears, among these line agency heads, an attitude cleavage around what might be called "software" versus "hardware" administrators. In the former group are people-oriented agencies—dealing with services to or controls over persons. In the latter group are agencies where physical things or economic activities are the focus of attention.

The differences between types of line agencies and line-staff contrasts persist when the focus of attention shifts to the satisfaction/expansion dimension for the administrator's own agency. (see Table 7). The heads of Staff agencies are the least inclined to prefer expansion; over 40% were satisfied with their agency's existing level of pro-

Table 6

STATE ADMINISTRATORS' ATTITUDES TOWARD EXPANSION OF STATE PROGRAMS, BY AGENCY FUNCTIONAL CATEGORY, 1978

Increase Preferred	(percent)							Total
	Staff	Human Resources	Natural Resources and Transportation	Economic Development and Regulation	Criminal Justice	Other	Not Ascertained	
No	79.4	34.4	56.0	55.7	30.8	59.2	64.3	52.8
Yes	18.9	63.4	43.2	43.0	67.7	39.5	35.7	45.8
No Answer	1.7	2.2	0.8	1.2	1.5	1.3	0.0	1.4
N =	180	276	375	244	133	152	28	1,388

Note: Percentages may not add to 100 because of rounding.

Table 7

**STATE ADMINISTRATORS' ATTITUDES TOWARD EXPANSION
OF OWN AGENCY'S PROGRAMS,
BY AGENCY FUNCTIONAL CATEGORY, 1978**

(percent)

Degree of Expansion Favored	Staff	Human Resources	Natural Resources and Trans- portation	Economic Develop- ment and Regulation	Criminal Justice	Other	Not Ascertained	Total
None	41.7	15.6	18.4	20.1	9.8	27.0	25.0	21.4
Up to 5%	18.3	10.9	16.0	11.5	8.3	11.8	25.0	13.5
5-9%	14.4	13.8	16.5	14.8	12.8	15.1	21.4	15.0
10-14%	6.7	20.3	16.3	16.4	30.8	22.4	7.1	17.7
15% or more	17.2	38.0	31.5	36.1	37.6	21.7	21.4	31.0
No Answer	1.7	1.4	1.3	1.2	0.8	2.0	0.0	1.4
N =	180	276	375	244	133	152	28	1,388

Note: Percentages may not add to 100 because of rounding.

grams and activities. Those least content with own-agency service levels were Criminal Justice and Human Resources administrators. Similar differences are present at the "high expansion" end of the attitude spectrum—expansion of service levels by 10% or more. Less than one-fourth of the staff administrators indicate a preference for this level of expansion. In contrast, nearly 60% of the Human Resources agency heads and almost 70% of the Criminal Justice administrators prefer agency expansions of 10% or more. For the other line agency heads the high expansion proportions were in the 45-50% range.

The patterns of policy cleavage within the state administrative establishment are evident from the foregoing tabulations and discussions. State administration is not monolithic and there are sharp cross-agency differences in what should be the appropriate policy posture toward changes in service levels. There is one cluster of agency heads who have accepted the view that state programs and spending must be restrained—the administrators heading Staff agencies. Even in this contingent, however, a slight majority favors some degree of expansion in their own agency (see Table 7). A second cluster of state agency

heads is prominent and dominant in its expansionist tendencies. That cluster consists of administrators heading the people-oriented agencies included in the categories of Criminal Justice and Human Resources.

Shifts in Program Priorities

The aforementioned marked differences among state agency heads are considerably moderated when the focus of attention is the extent of change in program priorities over the past four to five years. Table 8 provides a basis for comparing differences across functional categories. Examination of the row for "major" shifts discloses that proportions range from about one-third to almost one-half of the various categories indicating this degree of program shift. There are hints, however, of the cross-agency contrasts discussed earlier.

One-third of the Staff agency heads put their agencies in this category whereas the proportions for the four major functional groupings were slightly or significantly above this fraction. Additionally, the two categories of line agency heads indicating the greatest degree of program change were the Human Resources and Criminal Justice

administrators. Almost half (48%) of the latter agency heads and 46% of the former group indicated that major shifts had occurred in their programs. It seems likely that there may be some relationship between the expansionist attitudes of these two categories of administrators and their perceptions of changing priorities in agency programs.

What sources initiated the shifts in program priorities? Did some agencies tend more toward the internal generation of program changes or were external sources more prominent in originating program changes? Table 9 provides the basis for discussing these queries.

It would simplify our discussion if the functional categories could be identified according to two or three response patterns depending on what sources took initiatives resulting in program changes. This is not possible, however. Each of the six categories is in some or several respects different from the other categories.

Those heading Staff agencies reported that formal governmental institutions, Governor and legislators are most important. These sources far exceed the impact of personnel in other governmental units or of clientele groups. The Governor, the legislature, and the agency staff are all designated by more than 60% of Staff agency heads.

Among the other categories, Criminal Justice administrators are closest to this formal control

pattern. But for them internal staff are extremely important. Also clientele groups, national officials, and local officials have a greater impact on Criminal Justice agencies than on Staff agencies.

The functional category containing administrators who spread their designations most widely is the Human Resources category. Using a criterion of 40%, these administrators noted the importance of all three formal governmental institutions as well as national government officials and clientele groups. The last two sources were checked by more administrators than was the Governor. Not only have Human Resource agencies seen major priority shifts in the last five years but the stimuli for those shifts have come from multiple and diverse sources. (It should be noted that this was not true of Criminal Justice agencies, despite similar reported shifts.) Administrators heading state Human Resource agencies appear to operate in an intense, interactive, and even turbulent environment.

Like the Human Resources administrators, a high proportion of those responsible for Natural Resources/Transportation agencies report a high proportion of impacts from national government officials. These "hardware" administrators, however, report lesser gubernatorial and legislative influence and a level of influence from clientele groups about equal to that reported by all administrators.

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Table 8

**EXTENT OF CHANGE IN PROGRAM PRIORITIES,
BY AGENCY FUNCTIONAL CATEGORY**

Extent of Changes in Program Priorities	(percent)						Total
	Staff	Human Resources	Natural Resources and Trans- portation	Economic Development and Regulation	Criminal Justice	Other	
None	3.3	0.0	2.7	3.3	.8	3.3	2.2
Minor	18.3	13.4	21.6	21.7	9.8	19.7	18.2
Moderate	42.8	38.0	37.3	34.8	39.8	43.4	38.9
Major	33.3	46.0	37.3	39.8	48.1	31.6	39.3
No Answer	2.2	2.6	1.1	0.4	1.5	2.0	1.5
N =	180	276	375	244	133	152	1,388

Table 9

SOURCES OF INITIATIVES FOR CHANGE IN PROGRAM PRIORITIES, BY AGENCY FUNCTIONAL CATEGORY

(percent checking each source)

Source of Initiative for Program Change	Staff	Human Resources	Natural Resources and Transportation	Economic Development and Regulation	Criminal Justice	Other	Not Ascertained	Total
Agency Staff								
Legislators	69.4	68.1	67.2	73.6	79.7	55.9	67.9	68.7
Governor	68.9	63.0	52.3	47.1	60.2	42.8	53.6	54.8
National Government Officials	61.1	42.0	34.7	36.1	44.4	23.7	39.3	39.6
Clientele Groups	18.3	52.9	48.3	19.3	32.3	25.0	50.0	36.2
Local Government Officials	13.9	43.1	28.3	28.7	22.6	22.4	25.0	28.2
	7.8	14.1	14.4	10.7	17.3	11.8	7.1	12.7
N =	180	276	375	244	133	152	28	1,388

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Economic Development/Regulation administrators report the lowest levels of external initiatives of any functional category—with the exception of Staff and the heterogeneous “Other” category. This cluster of agency heads is slightly above the overall average in relying on internal staff and barely above average in designating clientele groups as a source in initiating program changes. This functional category seems to be the most self-contained or “insulated” group of administrators in state government.

It is useful to examine Table 9 further by looking at the row figures across the functional categories. While agency staff was notable for all categories it was especially prominent for the Criminal Justice agencies. The impetus for change precipitated by legislators varied considerably. It was highest for Staff agencies and lowest for Economic Development/Regulation and Other categories. The Governor was, understandably, a prominent source of change for the heads of Staff agencies. National officials were acknowledged as prominent change agents by Human Resources and Natural Resources/Transportation administrators. Clientele groups were singularly significant to Human Resources agencies. Local government

officials had the greatest impact on Criminal Justice administrators.

Considering these several comparisons, two conclusions stand out. The first is that sources of initiatives for program priority changes vary considerably across functional categories of agencies. The second is that the reported sources mesh well with what we know of formal power, funding, and traditional agency patterns in the public sector.

The first point needs little further elaboration. Assuming that administrators will continue to pay particular attention to the sources from which earlier initiatives have come, it does indicate that those seeking to influence program priorities must recognize that not all agencies are alike.

The second conclusion covers several points. First, stimuli from formal sources of influence—agency staff, legislators, and Governor—are strongly in evidence across most categories. Second, in some categories these formal sources are challenged by another source. The large role of the national government in Human Resources and the Natural Resource/Transportation fields accounts for national officials’ impacts exceeding those of the Governor. Finally, the greater mention of local government officials by Criminal Jus-

Table 10

**SOURCES OF NEW IDEAS FOR PROGRAM IMPROVEMENT,
BY AGENCY FUNCTIONAL CATEGORY**

(weighted frequency)

Source	Staff	Human Resources	Natural Resources and Transportation	Economic Development and Regulation	Criminal Justice	Other	Not Ascertained	Total
Within State Government								
Within Your Agency	10.8	11.1	10.8	10.5	10.7	10.6	10.8	10.8
Legislators	6.9	6.6	5.8	6.1	6.6	5.8	6.6	6.2
Governor	7.6	5.2	5.7	5.6	6.1	4.4	6.4	5.7
Other State Agencies	7.4	5.4	5.0	4.3	5.0	5.3	6.4	5.3
Intergovernmental Sources								
Officials in Other States	5.4	3.6	5.0	5.4	4.6	4.7	5.9	4.8
National Government Officials	3.0	5.7	4.6	3.5	3.2	3.2	5.0	4.1
Local Government Officials	2.6	3.4	3.6	3.3	4.1	3.5	3.3	3.4
Joint Federal-State Agencies	2.0	3.4	4.2	3.0	3.2	3.1	2.7	3.2
Interstate Agencies	2.0	2.0	2.5	1.8	2.5	1.8	1.8	2.1
Extra-governmental Sources								
Clientele Groups	4.0	7.6	6.3	6.6	5.1	5.8	5.3	6.1
Professional Associations	6.0	5.4	4.9	5.9	6.3	6.3	4.1	5.6
University Personnel	2.1	3.4	3.2	1.9	2.3	1.8	3.6	2.6
N =	180	276	375	244	133	152	28	1,388

tice administrators accords well with the tradition of local units having a large or prominent role in criminal justice matters.

Sources of New Ideas

The variations encountered thus far suggest that agencies may rely on different sources for the ideas that spark innovation. In a preceding section such sources were categorized as "sources within state government, intergovernmental sources, and extra-governmental sources." This same grouping is used in *Table 10* where sources are presented for administrators in each major functional category.

Some important variations appear. As data already presented suggest, heads of Staff agencies find sources within state government providing new ideas. The state arena constitutes all four top sources of new ideas for staff agency heads. The within-agency source retains its top rank among all line agency categories but other sources rise in prominence for different types of agencies. Clientele groups are second in importance for administrators in the Human Resources, the Natural Resources/Transportation, and the Economic Development/Regulation categories. This phenomenon is interesting, to say the least. The clientele groups served by agencies in these categories differ widely. Yet administrators in all three report the importance of their respective clienteles as sources of new ideas for program improvement. (Clientele groups tie with legislators for third among administrators of the "Other" agencies and are fifth among Criminal Justice administrators.)

National government officials rank high, fourth or better, in only one category—Human Resources. In all other categories, the leading source

among those of intergovernmental nature consisted of officials in other states. Horizontal intergovernmental relations appear to be of some significance when state agencies search for new ideas. Only Criminal Justice administrators gave noteworthy indication of securing new ideas from local government sources.

The high rank assigned clientele groups by three line agency categories has been mentioned. But note the rank assigned professional associations in the Staff, Criminal Justice, and "Other" categories. These are second most important for "Other" administrators, third most important source for Criminal Justice administrators, fourth most important for economic Development/Regulation agencies, and fifth in significance for Staff heads. Extra-governmental sources should not be discounted as important sources of new ideas. Both clientele and professional groups, depending on agency type, are recognized contributors to program improvements.

Certainly the conclusion presented above that agencies rely on their employees, formal bosses, clients, and associations is accurate. But it can now be qualified by noting the particular role of the national government, other state agencies, and local governments among certain groups of agencies. Even the sources ranked lowest overall (interstate agencies, university personnel, and joint federal-state agencies) are found to show up as moderately important for certain administrators.

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FOOTNOTES

¹Advisory Commission on Intergovernmental Relations (ACIR), *The Intergovernmental Grant System as Seen by Local, State, and Federal Officials*, A-54, Washington, DC, U.S. Government Printing Office, 1977, Chapter IV.

²*Public Administration Review*, September/October, 1978, pp. 399-402.

FEDERAL AID FROM THE PERSPECTIVE OF STATE AGENCY HEADS: PREFERENCES, POLICIES, INVOLVEMENT, AND ISSUES

The 1970s were years of changes in the federal aid system. After three decades of discussing intergovernmental aid “reforms,” words were converted to actions. The roots of recent changes can be traced to the 1960s. But General Revenue Sharing, block grants, efforts to improve grants management, and extensive development of professional “grantsmanship” are all events that came to full fruition and were of major importance in the last decade. Furthermore, federal aid remained as a significant and even growing segment of state general revenue. In 1970 federal aid was one-fourth of state general revenue and by 1977 it had inched up to 27%.

In the context of these changes, the American State Administrators Project (ASAP) of 1978 sought to extend knowledge of state agency heads’ perceptions of, and opinions about, federal aid. Earlier surveys (1964, 1968, and 1974) established base lines on which to judge the character and extent of any changes. Did changes of the 1970s produce dramatic shifts in the way these administrators view and react to the federal aid system?

A first point that the data clearly establish is the increased involvement of state administrators in the federal aid process. In 1978 74% of them reported that their agencies received aid. This was up from 64% in 1974 and from 53% and 34% in 1968 and 1964. Thus, although the percentage of state general revenue received from federal aid has not changed dramatically in the past several years (remaining in the 25–30% range), the im-

pact and penetration of federal aid among state government administrative agencies has changed dramatically. In the early 1960s only about one-third of the state agencies received federal aid. In the late 1970s the figure was about three-fourths.

In this chapter we tap the supply of knowledge state administrators have accumulated as aid activities have expanded. While administrators whose own agencies receive aid are especially important to us (they will be singled out for attention below), even those not receiving federal aid have ample opportunity to form more broadly based opinions about various features of the aid process. Many nonrecipients have frequent contact with other agencies that do receive aid. On many matters they, like the recipients, both observe and help mold the federal aid process.

Immediately below we consider administrators' views of the various forms or types of federal aid. Succeeding sections explore administrators' opinions about the level and effects of federal aid to local governments, state agency involvement with federal aid, and administrators' preferences on policy and administrative issues involving aid.

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PREFERENCES FOR FEDERAL AID TYPES

Three broad types of federal financial aid—categorical grants, block grants, and revenue sharing—have been available to the states and local governments since 1972. This is ample time for state administrators to observe their workings and impacts on funding levels.

One way to assess administrators' evaluations of these three aid types is to ask whether they would like the funding level for each type to be increased, decreased, or to remain the same. They are most likely to favor increases in the type of aid they prefer. Table 11 shows the reported funding level preferences of administrators and, for comparative purposes, their responses in 1974.

There was a slight drop in the percentage of administrators desiring increased aid, regardless of type, between the two survey years. That is, regardless of aid type, the percentages saying "Too Little" in 1978 were all lower than the comparable ones for 1974. Perhaps this reflects the general decline in agency heads' support for expansion of government programs, a finding described in the preceding chapter. It could also reflect a degree of disenchantment with the aid system in general.

It is also noteworthy that the comparative attractiveness of the three aid types changed little since 1974. The expansion of block grants and of General Revenue Sharing were preferred over the expansion of categorical grants, although not as much as in 1974. There was a slight increase, five percentage points, in the proportion of administrators who think that "too much" is distributed through block grants. It appears that this particular form may be losing some of its earlier general appeal. Our questionnaire did not probe the possible reasons underlying these responses. We might speculate, however, that the re-categorization of some block grant programs and failure to make wider use of this grant form may have

Table 11

EVALUATION OF FEDERAL AID FUNDING LEVELS, BY TYPE OF AID, 1974 AND 1978

Aid Type	Funding Level Preferences (percent)								Total	N=	
	Too Little		About Right		Too Much		Not Ascertained			1974	1978
	1974	1978	1974	1978	1974	1978	1974	1978			
Categorical	29	27	27	29	24	24	20	20	100	1,581	1,388
Block	42	34	26	28	10	15	22	23	100	1,581	1,388
GRS	40	33	26	30	10	12	24	25	100	1,581	1,388

brought this somewhat cooler reception. In addition, major amounts of block grant funds go directly or indirectly to local governments and this may have taken some of the luster and appeal away from the block grant.

Despite some modest shifts in the opinions of state administrators between 1974 and 1978 the most distinctive feature of the results is the remarkable similarity of the distributions for the two time periods. (The similarity even extends to the "Not Ascertained" category.) In short, the mid-1970s was not a time in which significant attitude shifts on federal aid funding levels occurred among state agency heads.

The 1978 survey included one series of questions that provides additional detail on administrators' attitudes about the three forms of federal aid. The existence of block grants and General Revenue Sharing attest to some dissatisfaction with categorical grants, primarily with their inflexibility. But providing flexibility is hardly the only requirement of a sound aid program. In fact, as has been made clear in the continuing struggle over types of federal aid, flexibility can conflict directly with other program aims.

To assess administrators' perceptions and evaluations of the aid types in terms of flexibility and

other characteristics, we asked those agency heads who received federal aid to rank the three types of aid based on the following criteria: flexibility, timeliness, responsiveness, capacity building, targeting, cooperation, and low overhead. Table 12 shows how the state administrators ranked the utility of the three forms on each of these criteria. The most preferred form is designated "1."

Categorical grants were ranked highest on only one criterion—targeting. Administrators saw this mechanism as that most suited for the promotion of national purposes. Not surprisingly, General Revenue Sharing (GRS) was ranked third on targeting. Despite considerable support for GRS, many administrators recognize its limitation as a targeting tool.

Categorical grants were ranked second on two criteria, capacity building and cooperation. On both these criteria the block grant was given first rank. It appears that agency heads see in categorical grants a tool for the federal government to modify state decisionmaking mechanisms. This type of aid, to a greater extent than revenue sharing, requires both state-level planning and a willingness to cooperate with federal agencies. The latter condition is not surprising. Revenue sharing funds can be received with minimal contact

Table 12

RANK OF TYPES OF FEDERAL AID ON VARIOUS CRITERIA^a

Criteria	Type of Federal Aid		
	Categorical	Block	GRS
Flexibility —greater discretion in state usage of funds	3	2	1
Timeliness —quick response to changing state needs	3	2	1
Responsiveness —funds reflect or meet state needs and priorities	3	1	2
Capacity Building —funds promote state's ability to plan/manage	2	1	3
Targeting —funds most likely to promote national purposes	1	2	3
Cooperation —most encouraging to intergovernmental cooperation	2	1	3
Low Overhead —involves least administrative burden	3	2	1

^a The aid type most preferred—based on mean rank assigned—is indicated by a "1." Rank scores were based on means calculated on basis of ranks actually assigned; respondents who left a particular item blank are excluded from the base, thus a blank is *not* treated as zero.

and even less cooperation. But the former is less easy to explain. It may be argued that GRS would allow states to plan their own programs and be flexible in managing them. Apparently administrators perceive planning and management as less than automatic activities. The requirements imposed under block and categorical grant programs are important stimuli to program-related planning.

In addition to ranking first in capacity building and cooperation, block grants are ranked first in responsiveness. This latter finding may reflect acceptance of the present block grant programs as being in fields of particular state need. Notice that revenue sharing receives first rank in timeliness—ability to provide response to changing needs. This suggests that the block programs of today are seen as appropriate, but that, as needs change, revenue sharing moneys provide the basis for adjustment.

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This view of GRS is affirmed by its first place rank in flexibility. Administrators see it as providing the greatest discretion. They also see these funds as being lowest in overhead, placing the least burden on the states. Notice, however, that revenue sharing occupies last place on three criteria—capacity building, targeting, and cooperation.

The decade of the 1970s marked a policy shift in federal aid—toward “fiscal balance” that included aid funds disbursed under all three types of federal aid. (As late as 1970 over 95% of all federal aid was dispensed as categorical grants.) Basic to a policy of “fiscal balance” is intent to meet different state (and local) needs. The seven criteria arrayed in Table 12 are indicators for judging the different utilities of the various aid types in responding to state-level program requirements. Categoricals are ranked first on the targeting criterion. Block grants are first on responsiveness, capacity building, and cooperation. GRS is first on flexibility, timeliness, and low overhead. Diverse types of aid do appear to meet varying operating needs in state agencies.

GENERAL REVENUE SHARING (GRS)

GRS is the newest form of federal aid and must be renewed periodically, e.g., 1976 and 1980. Both the 1974 and 1978 state administrator surveys contained questions on GRS, a few of which were identical.

In 1974 GRS was new and visible. Based on a battery of questions about GRS it was ascertained that slightly over half of the administrators were “highly aware” of this aid program. Over 20% of the agency heads made efforts to secure GRS moneys for their agency and 8% received a direct allocation. By 1978 the visibility level of GRS had plummeted. Only 8% indicated “extensive” knowledge of the use of GRS funds in their state; 35% reported a “moderate” level of knowledge about GRS uses. (A question on the receipt of GRS funds by an agency was not asked in 1978.)

Despite lesser awareness of GRS, the program’s estimated impact on state agency finances was roughly the same. In the 1974 survey 13% replied that their agency finances were favorably influenced by GRS. In 1978 the figure was 12%. In other words, the fiscal effects of GRS at the state level, specifically on administrative agencies, appeared to be both sustained and identifiable in spite of the elapse of six years between enactment of GRS and our latest effort to assess its effects.

Does a similar judgment still prevail about GRS as a desirable federal aid policy? When asked whether they agreed with the idea of GRS (using identical questions), agency heads’ responses in 1974 and 1978 were strikingly similar. The tabulations on agreement-disagreement are shown below.

Opinion on GRS	(percent)	
	1974	1978
Strongly Agree	17	13
Agree	33	40
Undecided	16	17
Disagree	11	12
Strongly Disagree	5	5
Not Ascertained	18	13
Total	100	100
N =	1,581	1,388

In both surveys 50% or more of the respondents (54% in 1978) were in agreement with GRS as a desirable federal aid program. Only 16–17% were undecided and a similar proportion in both years disagreed with GRS. Thus, GRS still commands strong support from one constituency group at the state level—top administrative officials.

FEDERAL AID TO LOCAL GOVERNMENTS: STATE ADMINISTRATORS' VIEWS

The "middleman" position of the states puts state agency heads in a unique position to look both ways—to see needs and resources of local units as well as the policy imperatives of the federal government. Some administrators work directly and extensively with local officials; we describe those contacts in Chapter 3. Here we are interested only in the perceptions of the state agency heads as observers of the federal aid process involving assistance to local governments.

A series of four questions were asked about federal-local aid relationships. One asked for a judgment about facts—whether federal aid to localities has increased, decreased, or remained the same during the previous five years. Two questions requested opinions on the effects of federal aid on state and local fiscal effort. A fourth query probed a perennial issue, whether federal aid to local governments should be channeled through state government.

In 1972 federal aid allocated directly to local governments totaled \$4.5 billion. By 1977 that amount nearly quadrupled and amounted to \$16.6 billion. In spite of this increase there were significant proportions of state agency heads who appeared oblivious to the increase. The tabulation below shows the distribution of responses to the question: Do you think federal aid going directly to cities and other local governments in your state in the past five years has:

	Percent
Decreased	5
Stayed the same	18
Increased	68
No answer	9
Total	100

It is conceivable but unlikely that total federal aid to local governments actually decreased in any state from 1972–77. It would even be surprising if the aid had remained the same. Yet over 20% of the agency heads gave responses falling in these two categories. A substantial proportion of state agency heads appear uninformed about, or oblivious to, the dramatic shift in federal-local

fiscal relationships, sometimes referred to as "bypassing." Further analysis of these responses revealed that most were agency heads who either (a) had few state-local contacts or (b) were not the recipients of federal aid.

The rise in federal aid to localities poses two fiscal impact issues, one state and one local. Has increased federal aid allowed either the states or localities to slacken their fiscal efforts? Has there been a displacement effect at either level? Table 13 provides the results from the two questions on the perceived displacement effects of federal-local aid.

A substantial proportion, 44%, felt that federal-local aid had produced displacement effects among local governments. Whether the actual effects were this widespread or not is a moot question. What is significant is the fairly widespread belief at the state level that increased federal-local aid had displaced or decreased locally raised funds.

The rise in federal-local aid may have prompted some states to slacken their fiscal efforts on behalf of local governments. Did this occur? To what extent was it perceived to occur? Our data are relevant only to the second query. Nearly one-fourth of the state agency heads reported a view that their state had reduced its fiscal effort on behalf of local governments because of rises in federal-local aid. This view, while not nearly as wide-

Table 13

IMPACT OF FEDERAL AID TO LOCAL GOVERNMENTS ON LOCAL AND STATE FISCAL EFFORTS — AS PERCEIVED BY STATE AGENCY HEADS, 1978

	(percent)	
	Local-Level Fiscal Impact	State-Level Fiscal Impact
Reduced Fiscal Effort (Displacement)	44	23
No Effect	21	45
Not Sure	28	25
Not Ascertained	7	7
Total	100	100

spread as that regarding local displacement, is still noteworthy and important from a policy standpoint. At the very least, it confirms the fiscal interdependencies present in intergovernmental fiscal relations and reveals policy alertness on the part of one subset of state officials. It does not answer the fundamental fiscal query, however: Did displacement *actually* occur?

Two further observations can be made about perceptions of displacement effects. First, nearly a majority of administrators thought that increased federal-local aid had no effect on state fiscal efforts on behalf of local governments. Second, the administrators were not nearly as confident concerning the fiscal responsibility of local decisionmakers. The local officials were viewed as much more prone to substitute federal aid for funds that would otherwise have been raised locally.

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State administrators were asked a final question about federal-local aid, whether it should be channeled through state government. On this question we have prior data from 1974. The results are shown below.

Federal-Local Aid	(percent)	
	1974	1978
Yes, Channel Through the State	81	62
No, Do Not Channel Through the State	13	31
Not Ascertained	6	7
Total	100	100

Slightly over 60% of the agency heads favored channeling in 1978 but this was down substantially from 81% in 1974. Channeling, once considered almost an article of faith among state officials, has lost some of its appeal and support among administrators. The reasons for the altered attitude are not evident. One likely explanation is that federal-local bypassing of the states has become so extensive that greater numbers of state officials have arrived at a position of approval by simple acquiescence.

FEDERAL AID INVOLVEMENT: COMPLEXITY, DIVERSITY, AND DEPENDENCY

Today's state administrators find themselves in a variety of federal aid environments. Although

the overall pattern has been expansion of aid, and a growing percentage of administrators head agencies receiving it, there remain important differences among the agencies. One such difference is in the *complexity* of aid environment. We operationally define complexity as the number of types of aid an administrator's agency receives. Some of the agencies have programs that are partially funded through General Revenue Sharing, and this is the only type of federal funds received. Other agencies have available not only revenue sharing money, but block grants and several types of categorical grants as well. Heads of the latter agencies are in a more complex federal aid environment.

Table 14 classifies respondents (only those reporting receipt of aid) according to the complexity measure for both 1974 and 1978. In 1978 nearly one-third of the state agencies receiving federal aid obtained only a single type of aid. Another 28% received two types of aid, most often a combination of project and formula grants. The remaining 38% secured three or more different types. The distribution for 1974 is not strikingly different from 1978. There was only a modest increase in complexity from 1974 to 1978 with the

Table 14

FEDERAL AID COMPLEXITY: NUMBER OF TYPES OF FEDERAL AID RECEIVED BY STATE AGENCIES, 1974 AND 1978

Number of Types of Aid ^a	(percent)	
	1974	1978
1	39	32
2	27	28
3	18	20
4	9	12
5	5	5
6	1	1
Not Ascertained	1	2
Total	100	100
N =	1,000	1,033

^a Aid "types" include: formula grants, project grants, block grants, contracts, nonmatching grants, loans, and loan guarantees.

three-plus types of aid rising from 33% to 38%. It is perhaps worthy of note, however, that over one-third of the aid-recipient state agencies obtain three or more different types of aid. This is an indirect indicator of the degree to which grantsmanship may have permeated state-level administrative operations.

Diversity

A second characteristic of agencies' federal aid environment is *diversity*. Diversity is defined as the number of federal agencies from which aid is received. Depending on the particular function of a state agency and on the state's organizational structure, an administrator may have federal aid relationships with only a single agency or with many. One complaint often heard about the grant-in-aid system concerns the multiplicity of sources that have aid available for programs serving the same or related functions. While this is most often heard from defenders of general purpose units, especially cities, data in Table 15 indicate that even administrators of functionally defined state agencies confront this situation. In 1978, more than one-third of the state administrators whose agencies received aid reported that it came from

three or more federal agencies. While the modal category is aid from a single agency, as was true in 1974, diversity was and still is substantial. Changes between the two survey years were surprisingly slight. The existence and continuation of substantial diversity means that, for many state agency heads, they or their subordinates must be knowledgeable about grant programs and their requirements in several federal agencies. They must maintain the necessary contacts and assure that varied eligibility requirements are met.

Dependency

The third item that describes the federal aid setting of our administrators is *dependency*—the proportion of their agency's budget derived from federal aid. In the late 1970s, aggregate data indicate that federal aid provided 28% of state general revenue. As we have seen, this is a gradually expanding figure. But not every administrator is equally "blessed." Table 16 reveals that over two-fifths of aid recipients reported getting less than 25% of their budget funds from federal aid. (If we add to these the respondents whose agencies get no aid, the finding is that 58% of all administrators reported receiving less than 25% of their funds from federal aid.) We have already seen that since 1964 the proportion reporting receipt of any aid climbed from 34% to 74%. Here we see, however, that among those with aid, there has been only small change in dependency. That change is in the direction of slight increase. In 1978 15% of the respondents reported that over three-fourths of their budgets came from federal funds; over one-third indicated that more than 50% of their budgets came from federal aid.

Table 15

FEDERAL AID DIVERSITY: NUMBER OF FEDERAL AGENCIES FROM WHICH STATE AGENCIES RECEIVED AID, 1974 and 1978^a

Number of Agencies from which Aid Received	(percent)	
	1974	1978
1	35	33
2	26	28
3	15	18
4	8	8
5	3	4
6	2	2
7 or More	6	4
Not Ascertained	5	3
Total	100	100
N=	1,000	1,033

^a Aid recipients only.

Composite Federal Aid Involvement Measure

Complexity, diversity, and dependency are discrete measures of the federal aid environment or setting in which state administrators operate. These settings vary from agency to agency but the three discrete measures provide the basis for constructing a composite measure of a state agency's involvement or immersion in the federal aid process. The composite aid score was calculated by weighting each of the three questions equally, i.e., the number of types of grants (1-6), the number of different agencies from which aid was received

Table 16

**STATE AGENCY DEPENDENCY ON FEDERAL AID, SELECTED YEARS,
1964-78^a**

Aid Proportion of Budget	(percent)			
	1964	1968	1974	1978
Under 25%	46	48	46	44
25 - 49%	23	22	19	20
50 - 74%	16	20	18	19
75% or more	12	8	12	15
Not Ascertained	3	2	5	2
Total	100	100	100	100
N =	317	535	1,000	1,033

^a Aid Recipients only.

(1-6), and budgetary dependency on aid. (The last question was scored as 1.5, 3.0, 4.5, and 6.0 for the four dependency categories.) This produced a composite federal aid scale ranging from a low of 3.5 to 18.0. The lowest score would show, for example, (a) one type of aid received from (b) one federal agency which (c) furnished 25% or less of the state agency's budget.

Composite federal aid involvement scores for 1974 and 1978 are shown in Table 17. The same cutting points (class limits) are employed for both 1974 and 1978 to provide comparability between the two surveys. The category designations, e.g., "High," are for convenience of referral and to show comparative degrees of involvement with federal aid.

Once again the most noteworthy feature of the tabulations from the two surveys is their striking similarity. There appears to be only a slight shift toward higher composite scores in 1978 than in 1974. The shift, no more than five percentage points, is insufficient to be statistically significant. In spite of notable shifts in the character and content of federal aid policies during the 1970s, the results from the 1974 and 1978 ASAP surveys reveal only minor and slight changes in federal aid processes. In particular, the composite scores on aid involvement show substantial proportions heavily involved, but with little change in the degree(s) of involvement between 1974 and 1978.

**FEDERAL AID POLICY PREFERENCES
AND ADMINISTRATIVE ISSUES**

The commentaries on, and criticisms of, federal aid policies during the 1970s posed a wide range of issues from which the ASAP surveys selected a few to place before state agency heads. One set of issues dealt with administrators' preferences for change in existing federal aid policies. These items were in fact indirect measures of satisfac-

Table 17

**COMPOSITE FEDERAL AID
INVOLVEMENT SCORES FOR STATE
AGENCIES, 1974 AND 1978**

Composite Score	(percent)	
	1974	1978
Very low (3.5-5.0)	24	19
Low (5.5-7.5)	30	30
Moderate (8.0-10.0)	23	25
High (10.5-18.0)	23	26
Total	100	100
N =	995	973

tion/dissatisfaction with present aid policies. A second set of issues addressed problems associated with the administration of federal aid. In most instances identical questions were asked in both the 1974 and 1978 ASAP surveys.

Policy Preferences

Two specific features of federal aid programs have been the subject of considerable controversy in recent years. One is the matching requirement(s) needed to secure federal funds; the second involves the formula(s) by which funds are apportioned among the states. The former issue has arisen in the context of a general drop in the extent and level of matching mandates. Block grants in particular have low or nonexistent matching provisions which, according to some observers, encourage displacement or substitution effects. The formula or apportionment issue has been prominently featured in the so-called "Second War Between the States" or the "Sunbelt-Snowbelt" controversy.

Table 18 provides data on both policy issues for 1974 and 1978. A majority of the administrators appear satisfied with the matching requirements connected with the federal funds their agency receives. In 1974 nearly two-thirds of the agency heads gave this response while in 1978 the proportion dropped slightly to 57%. Those dissatisfied with matching arrangements were around 30% in both surveys—a minority but nevertheless a substantial segment.

Even greater dissatisfaction surfaces when the issue of apportionment formulas is raised. In both years a plurality that approached one half of the aid-recipient administrators were not satisfied with formula provisions. This degree of dissatisfaction with distribution formulas suggests that the larger regional controversy over federal fund allocations rests on a significant base of administrative disenchantment. It also appears that the base predated the venting and escalation of the regional cleavage in 1975. More analysis is necessary to identify the program and/or regional basis of the dissatisfaction.

Table 18

PREFERENCES OF STATE AGENCY HEADS ON FEDERAL AID POLICY ISSUES, 1974 AND 1978

Administrators' Preferences	(percent)			
	Matching Arrangements		Apportionment Formulas	
	1974	1978	1974	1978
Satisfied	65	57	45	42
Not Satisfied	29	32	46	46
Not Ascertained	6	11	9	12
Total	100	100	100	100
	Increased Aid to Existing Programs		Expansion of Aid to New Programs	
	1974	1978	1974	1978
Increase/Expansion	66	54	74	58
Remain Stable/No Expansion	22	26	22	33
Decrease (applies only to existing programs question)	6	9	(does not apply)	
Not Ascertained	6	11	4	9
Total	100	100	100	100

Another indicator of satisfaction or dissatisfaction with federal aid policies involves the scope of aid coverage. Do aid recipients prefer increases in aid for existing programs? Do they prefer to have federal aid expanded to support new programs? Response distributions on both these questions for 1974 and 1978 are provided in Table 18.

State agency heads in 1978 compared to 1974 were more likely to adopt a less ambitious, aggrandizing posture on increasing or expanding federal aid. It is true that for both existing and new programs a majority of the administrators favored increased or expanded aid—54 and 58%, respectively. In the 1974 ASAP survey about two-thirds and three-fourths of the agency heads had preferred aid increase and expansion. The foundation and explanation for these somewhat modified preferences are not clear. A general one, suggested in *Chapter 1*, is that the cutback “message” explicit in Proposition 13 has permeated through to the bureaucracy. Its impact, however, is not “cutback management” but rather, reduced expectations about expansion. Seen in this context, it seems significant that the drops in the proportions are so modest and that a majority remains inclined toward the enlargement of federal aid domains.

Administrative Issues

The management of federal aid programs perhaps has posed as many issues and precipitated as much controversy as the substantive policies on which federal aid is based. The 1974 and 1978 ASAP surveys put identical questions to administrators in three areas: the impact of federal supervision on program administration, the flexibility of federal grant administrators, and whether federal aid involved uncertainty. In addition, the 1978 ASAP instrument included a question on federal efforts to improve the management of federal aid programs, e.g., via *Federal Management Circulars*.

Federal supervision and oversight of grant programs has contributed to improved standards of administration and service in the states. About 40% of the state agency heads in both 1974 and 1978, a plurality, indicated some improvement due to the federal presence. Almost the same proportion, somewhat over one-third, indicated the absence of any discernable positive effect trace-

able to federal oversight. Nearly 20%, however, reported that federal supervision had a negative effect on the state agency. Clearly, perceptions of federal administrative effects are mixed.

One source of both the positive and negative effects of administration of federal aid rests with the personnel—the managers of the aid programs. We were able to probe only one dimension of the federal program manager’s performance, his or her perceived flexibility. This particular dimension also happens to be one that is frequently criticized. Results from the 1974 and 1978 surveys are almost identical.

Flexibility of Federal Aid Administrators	(percent)	
	1974	1978
Not Flexible Enough	54	56
Sufficiently Flexible	40	40
Too Flexible	2	1
N.A.	4	3
Total	100	100

More than half the state agency heads found the federal aid program managers not sufficiently flexible. Exactly 40% in both surveys found them sufficiently flexible. Flexibility, of course, is a subjective and conditional characteristic. There are undoubtedly times and circumstances when federal aid managers should not be flexible. We attempted to acknowledge this with the phrase, “sufficiently flexible.” Perhaps a 40% or .400 “batting average” by federal aid managers should be acknowledged as a prominent and constructive accomplishment.

One of the more long-standing and disturbing complaints about federal aid is its uncertainty—its unpredictability as to amount, timing, precise conditions, etc. ASAP surveys on this issue cover a full span of 14 years shown in *Table 19*.

There was a time, 1964, when substantially less than a majority found federal aid uncertain. The aid “explosion” of the mid-1960s, however, altered that outlook. Over the last decade from two-thirds to three-fourths of the state agency heads receiving aid reported that they found federal aid uncertain, “making it difficult to estimate revenues for the next fiscal year.” One of the much-touted selling phrases of GRS in 1972 was “more aid with greater certainty.”

The enactment of GRS in 1972 did not bring about a change in state administrators’ views on

Table 19

PERCEPTIONS OF FEDERAL AID UNCERTAINTY

Does Federal Aid Seem Uncertain?	(percent)			
	1964	1968	1974	1978
Yes	39	66	75	69
No	59	33	22	28
Not Ascertained	2	2	3	3
Total	100	100	100	100
N =	317	535	1,000	1,033

the greater certainty of federal aid. On the contrary, in 1974 it reached the peak of uncertainty, 75%, at any point in the past decade. A factor contributing substantially to the uncertainty of aid in that period was the effort of the Nixon Administration to defer, impound, or otherwise delay the expenditure of aid funds. It appears that a secular shift occurred on the uncertainty of federal aid in the 1960s. The recent relatively high levels of perceived uncertainty are probably grounded in considerable reality. That reality seems to be one with which state agency heads are prepared to, and must cope.

Attempts to cope with the complexities of federal aid have spurred several management reform efforts. These efforts have not received wide publicity, justifiably so because of their specialized and detailed character. For those who deal with federal aid matters, however, the ASAP study was interested in assessing the awareness and evaluation of these efforts. The tabulation below reveals the level of awareness of grant management improvement efforts by state agency heads whose agencies receive federal aid.

Level of Awareness	Percent
Highly	9
Moderately	27
Slightly	12
Not aware	48
N.A.	4
Total	100
N=	1,033

Nearly half of the aid recipients were unaware of the management reform efforts. This figure attests to several aspects of managing and improving aid administration. One is the difficulty of "getting the word out" about proposed changes/improvements. Another is the probable inattentiveness of a significant segment of administrators (federal and state) to what may seem like minor tinkering. A third difficulty may stem from the existing operational complexity of aid programs and the perceptual/procedural "trap" into which active participants may fall. Immediate operational factors and forces may screen out planning—or change-oriented ideas.

Among the nearly half of the state agency heads who were aware of management reform efforts, how did they evaluate the results of those efforts? The array of their views is provided below.

Evaluation of Grant Management Improvement Efforts	Percent
Excellent	1
Good	18
Fair	56
Poor	23
N.A.	2
Total	100
N=	500

Less than one-fourth (23%) of those aware of the management improvement efforts rate them in the lowest category. Nearly a similar proportion, 19%, rate the improvement efforts in the top two categories. The general observation offered on the

basis of these results is that management reforms in the federal aid field are not a smashing success but they are evaluated as fair or better by the vast majority of those state administrators who are aware of them. The efforts invested in management reforms appear to have payoffs in the favorable views of state agency heads.

ANALYSIS OF RELATIONSHIPS: AGENCY FUNCTIONAL CATEGORIES AND FEDERAL AID INVOLVEMENT

Two approaches or strategies were pursued in analyzing variations in the perspectives and preferences of state agency heads on federal aid policies and issues. The approaches were expressed in the form of two "independent" variables against which the several "dependent" attitude variables were tabulated.

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The two independent variables employed in the analysis were: (a) the functional category of the agency and (b) the degree of involvement with federal aid. For the functional variable the same broad six-category classification scheme was used as was employed in Chapter 1 (see Appendix). For federal aid involvement, the composite federal aid score was used as an overall indicator of

the degree to which the administrators' agency was immersed in the network of state-federal intergovernmental fiscal relationships. Each of the independent variables was cross-tabulated with the specific questions forming the general attitudinal groupings of: (1) federal aid funding levels, (2) General Revenue Sharing, (3) federal aid to local governments, (4) aid policy preferences, and (5) administrative issues. Not every table or relationship will be presented. In some instances no association was necessarily expected; in others none was found.

Federal Aid Funding Levels

Several features contained in Table 20 should be noted. One is the majority (54%) of Human Resources administrators indicating that block grant funds are too little. A plurality (44%) of the Criminal Justice agency heads are similarly inclined. In distinct contrast to these line agency heads, 48% of the staff or generalist officials believe GRS funding is too low. The line/staff (specialist/generalist) cleavage is fairly evident in the preference data by functional breakdown.

It might also be noted that administrators of Human Resource and Criminal Justice agencies are most favorable to increases in categorical

Table 20

FEDERAL AID FUNDING PREFERENCES OF STATE AGENCY HEADS: LEVEL OF AID, BY AGENCY FUNCTIONAL CATEGORY AND COMPOSITE FEDERAL AID INVOLVEMENT MEASURE, 1978

Agency Functional Category	Percent of Administrators Responding "Too Little" for Type of Federal Aid			
	Categorical	Block	GRS	N=
Human Resources	39	54	34	276
Natural Resources and Transportation	28	28	29	374
Economic Development and Regulation	18	26	29	244
Criminal Justice	32	44	35	136
Staff	13	33	48	180
Other	25	18	30	152
Composite Federal Aid Involvement				
Very Low	28	26	34	263
Low	34	33	32	252
Medium	34	47	37	280
High	34	58	33	205

grants, 39% and 32%, respectively. This "traditional" form of federal aid is, quite understandably, least favored by Staff officials. Categorical-type funding, however, does not receive a ringing note of confidence from any one of the functional groupings of administrators. In every case there is a larger proportion of each functional group preferring GRS or block grants than categorical aid.

Do agency heads' views on federal aid funding differ depending on the degree of involvement they have in the federal aid process? The lower portion of Table 20 provides the figures, based, of course, on only those administrators whose agency heads received federal aid and for whom it was possible to calculate a composite federal aid score.

The percentages for categorical aid and GRS are remarkably similar, both within and across the two aid types. Roughly one-third of the agency heads prefer more GRS or categorical aid regardless of their degree of involvement with federal aid processes.

The pattern is distinctly different concerning block grants, however. Among those minimally involved with federal aid only 26% indicate block grant aid is too little. Moving up the involvement scale produces sharp and consistent increases in preferences for expanded block grant funding. Among the state agency heads most heavily involved with federal aid 58% indicate that block grants are "too little." It seems evident that those most deeply enmeshed in the "strings" of the federal aid network are strongly inclined toward "escape" mechanisms. Block grant funding contains two attractive release elements: (1) the funds would still be pledged to their program/agency function, and (2) fewer detailed administrative restrictions would likely apply to fund uses. To state administrators heavily involved in grantsmanship, block grant funds are not quite the pot of gold at the end of the rainbow but they have assumed the guise of a Mother Lode.

General Revenue Sharing (GRS)

Questions on GRS probed (1) awareness, (2) impact on agency finances, and (3) agreement/disagreement with GRS as a policy. Table 21 presents responses to these three questions arrayed by categories of the two independent variables.

Self described awareness of GRS was highest among the staff generalists. This finding is con-

Table 21

ATTITUDES ON GENERAL REVENUE SHARING OF STATE AGENCY HEADS, BY AGENCY FUNCTIONAL CATEGORY AND COMPOSITE FEDERAL AID INVOLVEMENT MEASURE, 1978

Agency Functional Category	(percent) General Revenue Sharing Question Item		
	High Awareness of GRS	Favorable Impact of GRS on Agency Finances	Agreement with GRS as Federal Aid Policy
Human Resources	48	13	56
Natural Resources and Transportation	37	12	55
Economic Development and Regulation	36	6	50
Criminal Justice	34	11	59
Staff	55	14	75
Other	52	11	63
Composite Federal Aid Involvement			
Very Low	39	10	54
Low	43	12	57
Medium	45	17	60
High	52	13	65

sistent with the prior one showing that staff personnel are those most inclined to think GRS is inadequately funded. Knowing the most about GRS and wanting its funding level increased is also highly consistent with the proportion of staff personnel who agree with GRS as a federal aid policy. Three-fourths of the staff administrators, much higher than any other functional category, favored GRS. These state-level findings show GRS

in 1978, as in prior years, as an aid policy or strategy that is designed for, and fosters the executive-generalist coalition.

Among line agency heads less than a majority in every category indicated a "high" level of GRS awareness. Criminal Justice agency heads were least aware of GRS, perhaps in part because the federal aid that comes to them is chiefly in the form of block grants.

The variations in favorable impact of GRS funds on state agencies are almost too small to deserve comment. Perceptions of favorable impacts from GRS are small (only 10% for the total sample) and are approximately evenly spread across state agencies. Also roughly evenly distributed among the four line agency categories are favorable attitudes toward GRS. Proportions favorable range from 50-59%.

Does federal aid involvement affect attitudes toward GRS? The GRS awareness and opinion ques-

tions indicate that it does. There is a modest but consistent increase in reported GRS awareness as one moves up the aid involvement scale. A roughly similar rise occurs in the proportions agreeing with GRS as an aid policy. Depth of involvement with the existing and acknowledged complex aid system is linked to greater awareness of, and positive view toward, GRS, the least restrictive and most discretionary form of aid.

Federal Aid to Local Governments

The several policy issues involving direct federal-local aid were identified and discussed earlier. Here our purpose is to ascertain whether there are any distinctive or consistent patterns of attitudes on these issues by agency type or federal aid involvement. Table 22 provides the presentational base for the discussion.

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Table 22

STATE AGENCY HEADS' ATTITUDES ON FEDERAL AID TO LOCAL GOVERNMENTS, BY AGENCY FUNCTIONAL CATEGORY AND COMPOSITE FEDERAL AID INVOLVEMENT MEASURE, 1978

(percent "yes")

Question on Federal Aid to Local Government

Agency Functional Category	Has Federal-Local Aid Increased	Has Federal-Local Aid Displaced Local Funds	Has Federal-Local Aid Reduced State Support of Localities	Should Federal Aid be Channeled Through the State
Human Resources	63	49	26	73
Natural Resources and Transportation	71	41	26	63
Economic Development and Regulation	69	40	20	51
Criminal Justice	56	51	25	69
Staff	80	40	16	56
Other	64	46	24	60
Composite Federal Aid Involvement				
Very low	65	43	25	61
Low	68	44	25	62
Medium	69	49	23	69
High	69	55	30	70

The first "issue" is one of opinion about a "fact." Direct federal-local aid increased dramatically from 1972-77, yet, there are noticeable differences in the degree to which state agency heads respond affirmatively to this query. The "fact" of increased federal-local aid varies, however, by different functional fields and it is therefore not surprising to note that only about half of the Criminal Justice administrators acknowledged increases. The high proportion (80%) of Staff administrators acknowledging the increase in federal-local aid undoubtedly stems from their more knowledgeable positions and roles in state government, e.g., GRS going directly to local units.

There is relatively little variation in state administrators' estimates of the displacement effects of federal-local aid. The two groups of state officials who are most directly tied to local government activities, Human Resource and Criminal Justice administrators, were most prone to report displacement effects, 49% and 51%, respectively. By the same token, differences among administrators on reductions in state fiscal efforts because of federal-local aid were not marked. Except for Staff personnel with 16% agreement, the agency heads fell in the 20-26% range. If we can assume that the staff/generalist administrators are in the best overall position to know the state-level fiscal effects of increased federal-local aid, then it appears that slackened state fiscal effort has been slight or modest. (This statement does not take into account state size, however. If the responses were weighted by size of state, budget, or other factors the conclusion could be dramatically different, e.g., if all the staff officials who responded affirmatively were from California, Illinois, Michigan, New York, and Texas.)

The responses to channeling federal-local aid through the states present an interesting switch on the generalist/specialist attitude cleavage. Except for Economic Development/Regulatory agencies, where federal aid is less important generally, Staff administrators are the group least in favor of channeling federal-local aid through state coffers. In contrast, Human Resource and Criminal Justice administrators are two groups most in favor of channeling. Agency self interest and control considerations no doubt play important parts in explaining these outlooks. These line agencies, including Natural Resources and Transportation, have strong programmatic pressures pulling them

toward an interventionist role in relation to local governments. For state-level generalists (Staff), their impulses to control are aimed more at line agencies than at local governments.

A brief scan of the figures for composite aid involvement and attitudes on federal-local aid yields little of note. Perceptions of aid displacement show a slight and consistent positive association with aid involvement. More knowledge/experience with federal aid processes disposes administrators to indicate greater likelihood of displacement. This mild association is consistent with conventional expectations. There are no sharp differences by aid involvement on judgments about reduced state support. Neither are the differences dramatic on the channeling issue. The composite aid involvement variable appears to function as a stronger explanatory variable where the dependent variables measure issues of direct or immediate relevance to the state agency, e.g., block grants, GRS.

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Federal Aid Policy Preferences

Four federal aid policy issues have been identified: matching provisions, apportionment arrangements, increased aid for existing programs, and expansion of aid to new programs. Tabulations on each of these issues by functional category and federal aid involvement are presented in Table 23.

There appears to be no sharp or clear pattern among different types of agency heads on either the matching or apportionment issues. To the extent that any one group of administrators departs from the others, those heading Staff agencies tend to be less satisfied with matching and apportionment provisions.

A similar but somewhat more pronounced difference also appears on the aid increase and expansion variables. Staff agency heads recorded low percentages favoring increased or expanded federal aid. At the other end of the preference spectrum were the Human Resource administrators. Fully two-thirds of this group desired both more aid for existing programs and aid expanded to include new programs. The other functional grouping of administrators who are aggrandizers were the Criminal Justice agency heads. Over half this group wanted aid expanded for existing programs and nearly two-thirds preferred to see federal aid extended to new programs. The general observation to be drawn from these functional

Table 23

FEDERAL AID POLICY PREFERENCES OF STATE AGENCY HEADS, BY AGENCY FUNCTIONAL CATEGORY AND COMPOSITE FEDERAL AID INVOLVEMENT MEASURE, 1978

Agency Functional Category	(percent "yes")			
	Matching Provisions Satisfactory	Apportionment Provisions Satisfactory	Aid for Existing Programs Should Be Increased	Aid Should Be Expanded to New Programs
Human Resources	54	41	67	67
Natural Resources and Transportation	60	47	52	56
Economic Development and Regulation	57	31	39	48
Criminal Justice	63	44	53	65
Staff	48	32	41	36
Other	55	47	58	69
Composite Federal Aid Involvement Measure				
Very Low	58	43	46	49
Low	61	43	54	59
Medium	58	38	61	62
High	53	44	61	70

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contrasts is that Miles' Law—where you stand depends on where you sit—is operative with varying degrees of force. There are cleavages among stage agency heads depending on the administrative positions they occupy.

Does the same "law" apply when we separate administrators' "positions" by their degree of immersion in the federal aid process? A mixed response is necessary. There were no consistent or notable variations on the matching and apportionment issues. There were consistent and significant differences on the aid increase and expansion issues. The associational pattern is clear and positive between degree of aid involvement and preference for increased or expanded aid.

The pessimist might look at the high percentages among those heavily involved, 60–70%, and contend that these administrators have become federal aid "addicts" or "junkies." The more deeply they are into the federal aid syndrome the more they feel the need for more aid. The optimist

or realist might conclude from these results that those administrators deeply involved in federal aid processes properly perceive that the most likely strategy they have for easing the tensions under which they operate is a fiscal one—secure more monetary aid.

Federal Aid Administrative Issues

The concluding set of federal aid issues with which we deal are administrative ones. Those include the effects of federal supervision, the flexibility of federal administrators, the uncertainty of aid, and the awareness of management reform efforts. Portions of the cross-tabulations of these variables by agency functional category and federal aid involvement are presented in Table 24.

Two categories of agency heads, Human Resource and Criminal Justice administrators, were the most positive in concluding that federal oversight has been beneficial. Staff agency heads were least sanguine in this regard, with only

Table 24

FEDERAL AID ADMINISTRATIVE ISSUES, BY AGENCY FUNCTIONAL CATEGORY AND COMPOSITE FEDERAL AID INVOLVEMENT MEASURE, 1978

(percent "yes")

Agency Functional Category	Has Federal Supervision Improved Program Standards/ Administration	Are Federal Grant Administrators Flexible	Is Federal Aid Uncertain	Aware of Federal Aid Management Reforms
Human Resources	45	38	62	53
Natural Resources and Transportation	36	43	67	44
Economic Development and Regulation	34	41	72	46
Criminal Justice	44	31	81	40
Staff	17	39	76	57
Other	39	44	74	50
Composite Federal Aid Involvement Measure				
Very Low	27	50	66	33
Low	40	39	70	46
Medium	44	37	71	58
High	46	33	76	65

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about one-sixth responding affirmatively to the query about federal supervision enhancing program performance.

There were no sharp or dramatic differences in views about the flexibility of federal administrative officials. Criminal Justice agency heads were the least likely, at 31%, to view the "feds" as sufficiently flexible. The proportions for all other groups clustered around 40%.

Judgments about the uncertainty of federal aid reveal two groups of administrators on the low and high side of this issue. Although 62% of the Human Resource agency heads felt that aid is uncertain, this was the lowest of any agency group. At the other extreme, over four-fifths (81%) of the Criminal Justice agency heads concurred on the uncertainty of federal aid.

The Criminal Justice administrators were also distinctive in their degree of awareness of federal aid management reforms. That is, as a group they

indicated the *least* awareness of such reforms. This lower level of awareness could be a function of the heavy reliance on block grants in the criminal justice field, a funding mode that represents a "reform" and is perhaps less subject to management reform pressures. The two groups most aware of federal management reform efforts are Staff and Human Resource agency heads. In both instances over half the administrators report awareness of reform efforts.

Higher awareness levels might be expected among these two categories of officials. In the case of Staff personnel, they would be attentive because many recent reform efforts have intended to both benefit the generalists and simplify central administration/coordination. Human Resource agency heads are likely to be more aware because of the extent of their involvement with federal aid. The proportions of each agency category with a "high" score on composite federal aid involve-

ment are shown below. Also shown is the proportion indicating a “moderate” or “high” level of awareness of the reform efforts.

Agency Functional Category	(percent)	
	High Aid Involvement	High/Moderate Level of Reform Awareness
Human Resources	37	78
Natural Resources and Transportation	11	69
Economic Development and Regulation	14	74
Criminal Justice	3	71
Staff	20	84
Other	12	80

38 Human Resource and Staff agency heads are, indeed, most highly involved with federal aid—37% and 20%, respectively. (They were also most aware of federal aid management reforms—Table 24.) The same two categories of agency heads likewise indicated they were moderately or highly informed about the management reform efforts—78% and 84%, respectively. Among those who are aware of federal aid reforms, substantial proportions of both line and staff administrators reveal moderate/high levels of awareness.

The lower portion of Table 24 shows distinctive variations in federal aid involvement by administrative issues. The tabulations reveal the most consistent and sharpest differences present in this analysis. For all four administrative variables there are consistent and frequently major changes in the percentages as federal aid involvement increases. The relationships are that the degree of aid involvement is:

- 1) positively related to judgments about federal supervision improving performance,
- 2) negatively related to views about the flexibility of federal aid administrators,
- 3) positively (but only mildly) related to concerns about the uncertainty of federal aid, and
- 4) positively and strongly associated with an awareness of federal aid management reform efforts.

The disclosure of these consistent and selectively strong associations confirms the presence and importance of administrative problems associated with the operating aspects of federal aid programs. Continued attention to management reform efforts would appear to be warranted on the basis of responding to (1) a known level of concern—as identified by the marginal responses and (2) to a patterned set of attitude intensities as revealed by the cross-tabulation analyses.

STATE AGENCY HEADS AND FEDERAL RELATIONSHIPS: STATE-FEDERAL CONTACTS AND PERCEPTIONS OF FEDERAL IMPACTS¹

Interpersonal relationships are at the core of intergovernmental relations (IGR). In 1960, William Anderson pointed out:²

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No two governmental units can actually meet or sit down together to work out common problems. As in the case of international relations everything has to be done through representatives who are in most cases officials . . . it is people in more or less official capacities who are the real actors in intergovernmental relations, whether they are relations of conflict or of cooperation. It is human beings clothed with office who are the real determiners of what the relations between units of government will be. Consequently the concept of intergovernmental relations necessarily has to be formulated largely in terms of human relations and human behavior under the conditions that prevail when different people represent the interests of different units and different functions of governments.

Despite early attention to the “human” side of IGR, it is still common for studies in the field to overlook their essentially personal character.

The personal linkages among governmental units can be usefully investigated by exploring the extent and nature of contacts administrators have with each other. These contacts not only

help to identify intergovernmental connections, they also are indicative of the environment in which the administrators function. Furthermore, the contacts can be expected to influence the administrator's views of his or her political and administrative surroundings, provide important information channels, serve politically important purposes, and indicate the extent of access the administrator has to others and they to the administrator.³

Although principally focused on state administrator-federal administrator contact, this report would be incomplete without recognition that these are but a subset of all contacts the state administrator has. The 1974 American State Administrators Project (ASAP) survey of state agency heads sought information on many of these; the 1978 survey acquired even more extensive information.

40 In conventional language the contacts of major interest, those with federal personnel, can be designated as *upward* contacts from the perspective of the state administrator. Additionally, that administrator may engage in *downward* and *horizontal* contacts. The former group are those with local government officials. The latter group is composed of several subsets. There are horizontal contacts that reflect political responsibility—those with Governors, legislators, and state court personnel (and their respective staffs). There also are functionally based horizontal contacts with administrators of similar agencies in other states, with professional associations, and with licensing and standards-setting associations. Finally, there are those with interstate/multistate agencies, including regional organizations and interstate compact agencies. The categories do not exhaust possible contacts. Omitted, for example, are those with functionally different agencies in the same state or elsewhere. The above mentioned array of contacts is a sketch of the larger scene, in which the upward contacts examined in this report are only a small part.

What are the bases of all these contacts? Why do they occur? Already indicated is that of political responsibility—or, perhaps more properly, control.

A second basis of contacts, that may or may not reflect a control relationship, is the flow of federal funds. As noted in Chapter 2, the 1978 ASAP survey found that 74% of responding state administrators direct agencies that receive aid from the federal government. Additionally, many of them

are responsible for distribution of funds to local governments.

A third basis for contact is regulation, a task often charged to state agencies by constitution or statute. For example, state education departments establish standards for local schools and monitor local school system compliance. The past two decades have brought a growing role for federal agencies in regulating activities of state agencies—sometimes, but not always, as part of the grant process. Most prominent have been civil rights and environmental quality matters.

Finally, contacts may be based on the need for information. Functionally based horizontal contacts often originate from the need for advice and information. The same is true of many interstate/multistate contacts. Upward and downward contacts also result from desires for information sought by federal or local units.

What of the contacts themselves? How frequent are they? Below we present an analysis of the upward contacts, including some comparisons between responses of administrators in 1978 and 1974. First, however, Table 25 provides an overview of the reported downward and horizontal contacts.

Most obvious is the predominance of contacts with personnel located within the institution of state government itself. Four of the five categories that had more than 60% of administrators reporting at least monthly contact involved officials in the administrator's own state government, i.e., other agencies in the same state, legislators, the Governor's staff, and legislative staffs. The last three represented officials in the political responsibility category. Although gubernatorial and legislative staffs may not hold direct power over agencies themselves, it is often true that they speak for their superiors and are treated accordingly by agency heads.

The next most frequent contact was a functionally based horizontal contact, followed by two categories of downward contacts. More than 50% of agency heads reported frequent contact with county and city officials, and more than 60% indicated frequent contact with heads of similar agencies in other states.

UPWARD CONTACTS OF STATE ADMINISTRATORS

Many state administrators have the opportunity, indeed the necessity, to contact regularly a

Table 25

FREQUENCY OF STATE ADMINISTRATORS' DOWNWARD AND HORIZONTAL CONTACTS, 1978

Point of Contact	Percent Reporting Contacts Daily, Weekly, or Monthly
Downward	
County Officials	53
City Officials	51
School Officials	25
Substate Regions (COGs)	19
Horizontal	
Political Responsibility	
Governor	37
Governor's Staff	66
Legislators	67
Legislative Staff	65
State Courts	31
Functionally Based	
Similar Agencies in	
Other States	62
Professional Associations	27
Licensing/Standards Associations	11
Interstate/Multistate	
Council of State Governments	11
Joint Federal-State-Regional Organizations	15
Interstate Compact Agencies	15
Other	
Other Agencies in Same State	91
Other Types of Agencies in Different State	28
Governor's Staff in Different State	14

variety of national officials. These contacts are not limited to administrative officials in Washington, but extend to personnel outside Washington and to nonadministrative personnel. Table 26 presents data on the upward contacts of state administrators for 1974 and 1978. Agency heads were asked to indicate whether their contacts were daily, weekly, monthly, less than monthly, or never. The specific question was:

How often do you personally have phone or face-to-face contact with each type of National official listed below?

The officials listed are shown in Table 26. (The 1978 ASAP survey included three types of contacts not covered in 1974.) Other categories, used in both surveys, allow comparisons between the years.

Table 26

FREQUENCY OF STATE ADMINISTRATORS' UPWARD CONTACTS, 1974 and 1978

Point of Contact	Percent Reporting Contacts Daily, Weekly, or Monthly	
	1974	1978
Federal Agency Heads or Staff (in Washington)	33	31
Regional Office Personnel	66	54
State/Area Office Personnel		54
U.S. Senators or their Staff	35	33
U.S. Representatives or their Staff	35	33
White House or OMB* Staff	4	4
Federal Court Personnel		4
Advisory Commission on Intergovernmental Relations**		3

* Office of Management and Budget.

** This point of possible contact was included in a separate question asking about contacts with intergovernmental agencies.

Few, if any, noteworthy changes occurred in the frequency or patterns of contacts from 1974 to 1978. Approximately one-third of the administrators reported frequent Washington-based contacts with federal agency heads and their staffs, with Senators and their staffs, and with Representatives and their staffs. The proportion held for both 1974 and 1978. The major changes among those categories included in both surveys was the decline in reporting frequent contact with regional office personnel. We suspect that this is a product of including the state/area office personnel in the 1978 survey. Perhaps administrators answering the 1974 survey included some of their contacts at the state/area level in the reported contacts with regional personnel.

The White House and OMB staff, federal court personnel, and ACIR personnel infrequently were mentioned by state administrators as points of contact. The emphasis seems to be on functionally based contacts (federal administrative agencies, at various levels) and to a lesser extent on political spokesmen at the federal level. While we present only three of many possible contacts of a "generalist" nature, if these results are representative, administrators do not experience frequent contacts with federal administrative generalists.

Federal Agencies as Points of Contact

The 1978 survey asked agency heads to identify the three federal departments or agencies with which they had the most frequent contact. A follow-on question asked for an evaluation of the quality of personnel in those agencies, with categories "poor," "fair," "good," or "excellent."

Administrators listed 121 different federal agencies with which they had contacts. Looking only at the first choice or *most frequently* contacted agency (Table 27) the Department of Health, Education, and Welfare far outstripped all others. A total of 176 state administrators named it first and another 136 also designated agencies within it. That is, 22% of administrators indicated that HEW was the most frequently contacted federal agency.

Table 27 shows other major agencies in the order of contact frequency. The extraordinary position of HEW is evident. Its closest rival, the Department of Justice, trailed by 14 percentage points. In fact, among cabinet departments other than HEW, there was relatively little variation.

Table 27

FEDERAL AGENCIES MOST FREQUENTLY CONTACTED BY STATE AGENCY HEADS^a

Federal Agency	Percent Designated as Most Frequently Contacted	Evaluation Rating Score ^b
Health, Education, and Welfare	22	3.0
Justice	8	2.5
Environmental Protection Agency	7	2.7
Transportation	7	3.1
Interior	6	3.1
Labor	6	2.5
Agriculture	4	3.4
Housing and Urban Development	4	2.3
Defense	3	3.0
Energy	3	2.5
Treasury	3	2.9
Commerce	3	2.6
Other	11	3.1
Not Ascertained	13	
Total	100	
N=	1,393	

^a Agencies include designations of their constituent units.

^b These are mean scores, calculated using the following scale:

1 = poor; 2 = fair; 3 = good; 4 = excellent.

Administrators were also asked to designate the second and third most frequently contacted agencies. The detailed data are not presented here, since it is sufficient to say that HEW also led in second and third-order contacts, but by smaller margins. Two agencies were designated with somewhat greater frequency on second and third choices—the Department of Agriculture and Interior. In fact, as second and third choices, these agencies followed HEW, surpassing Justice, the EPA, Transportation, and Labor.

The contacts state agency heads have with federal agencies provide an opportunity and a basis for evaluating the quality of the federal personnel. Table 27 reports the mean scores received by each

agency, with a "1" representing "poor" and "4" representing "excellent." The Agriculture Department tops the list, receiving a mean score of 3.4, and is followed by Interior, Transportation, and the composite category of smaller agencies labeled "Other." The Departments of HEW and Defense, at 3.0, complete the list of those with mean scores of "good" or better. Despite being the most frequently contacted agency and the one rated by the most state administrators, HEW is judged to have rather high quality personnel.

We looked separately at the evaluations provided by state administrators who designated the Office of Education or other educational components of HEW. Personnel in these were rated lower than all other HEW personnel, producing a mean score of 2.7. This score placed them midway among the agencies and suggests that the new Department of Education might attend to the quality of personnel in contact with state administrators and to improving these relationships, generally.

The Department of Housing and Urban Development produces the lowest evaluation score, one of 2.3, a bit below the Departments of Labor, Justice and Energy. Within the Justice Department, we looked at the Law Enforcement Assistance Administration, a frequently contacted subunit, and found its score, at 2.3, to be below that of the total department.

It is interesting that personnel of agencies in the "Other" category are rated rather high. They represent the dozens of smaller, independent agencies, each of which was designated by a few agency heads as the chief point of contact.

The overall pattern of evaluations is neither drastically low nor delightfully high. Personnel of most agencies are, on average, judged to be in the fair-to-good range. The overall mean is 2.8. Only 86 (or 7%) of the 1,218 agency heads responding rated personnel poor; but 244 (or 20%) rated them excellent. Respondents also rated the personnel in agencies with which they had second and third most frequent contacts. Looking at the overall scores for second and third agencies shows only slight variation. Evaluations of the second group have a mean score of 2.6 and of the third group 2.5—both remaining in the fair-to-good range. It does appear, however, that agency heads are more satisfied with personnel in agencies they contact more frequently. Familiarity does not breed contempt.

The Federal Courts and State Agencies

Past commentaries on state-federal contacts, especially those focused on state administrative agencies, would have said little about the federal courts. But attention to the courts is now increasing. Roger Cramton has pointed out that today's courts, in efforts to protect the future interests of various parties as opposed to seeing to their compensation for past harms, are prescribing specific actions state agencies must take. These range from setting standards applicable to mental hospitals and prisons to prescribing specific changes in school programs.⁴ Without attempting to judge the wisdom of this involvement, we can assess in a preliminary way the impact these decisions are having on state agencies. Agency heads were asked two questions. The first addressed court impact on administrative procedures and policies, and the second inquired about impact on substantive programs. Responses to the questions were quite similar. Slightly over one-third of the administrators reported that federal court decisions had required significant alterations in administrative procedures and policies; 36% said they had required significant alterations in substantive programs or the creation of new programs. Combining the two questions reveals that 43% of administrators reported impact of at least one kind. Over two-fifths of all state administrators acknowledged that federal court decisions had altered agency programs or procedures.

What we have measured here is not contact in the sense used previously. Remember that only 4% of administrators reported frequent contact with federal court personnel. But, despite this relatively low contact level, administrators seemed to feel considerable impact from court decisions. We cannot confirm that this is a recent development but we suspect that it is. It is also likely to be important for the future of state agency relationships with the federal government.

ANALYSIS OF STATE ADMINISTRATORS' UPWARD CONTACTS

Receipt of Federal Aid and Contacts

We suspect that the transfer of financial resources is an important basis for many of the con-

tacts state administrators have with national officials. If we are correct, the pattern of such contacts should differ considerably among state agencies. Chapter 2 demonstrated that state agencies differ greatly in the federal aid settings in which they operate.

The most fundamental measure of an agency's aid setting is simply whether it receives any aid. This one indicator shows that 1978 aid recipients had especially frequent contact with the three types of federal authorities charged with functional program responsibilities—agency heads, regional personnel, and state/area office personnel. Among aid recipients the respective percentages for frequent contacts were 27, 48, and 46% for the three types of federal officials. Among nonrecipients of aid the percentages having frequent contacts were 4, 7, and 8%, respectively. Contacts with U.S. Senators and Representatives (or their staffs) were also more frequent for aid recipients than nonrecipients. The percentages were roughly 40% for the former, only about 20% for the latter. There was, however, virtually no difference between recipients and nonrecipients in contact frequency with the White House and OMB, with federal courts, or with the ACIR. Receiving aid seems to encourage two kinds of federal contact, one with functionally defined agencies dispensing federal aid and the other with members of Congress or their staffs. We have no evidence regarding the substance of contacts but it seems plausible that many of these links to Congress may concern aid.

The receipt of aid also appears to affect the extent to which administrators report their agencies subject to actions by the federal courts. Through the transfer of monetary resources the federal government gained access to many state agency activities. To the courts has fallen the task of adjudicating disputes over application of rules and procedures incorporated into aid programs. Forty-one percent of aid recipients (compared to 26% of nonrecipients) report that federal courts required alterations of agency administrative procedures. Regarding court-required alterations of substantive programs, the comparison was 41% to 22%. For both types of effects, receipt of aid was associated with reporting court impacts on state agency operations.

The impact of aid receipt is likewise evident in the designations of frequently contacted federal agencies. Table 28 shows rather sharp distinc-

tions between recipients and nonrecipients in designation of agencies, with the nonrecipients being rather unlikely to designate any agencies (29%). In only three instances (other than the conglomerate category of "Other") did nonrecipients lead in designations: Labor, Treasury, and Commerce. They trailed by large margins in contact with the agencies that top the list.

This association between aid receipt and differences in primary contact points leads to the question of whether there are differences in evaluations. Because the numbers of nonrecipients contacting some agencies are so small, comparative scores by individual federal agencies cannot be reported. But in the aggregate, there are no dif-

Table 28

FEDERAL AGENCIES MOST FREQUENTLY CONTACTED BY ADMINISTRATORS OF AGENCIES RECEIVING AND NOT RECEIVING FEDERAL AID^a

Federal Agency	Percent Designating the Agency as Most Frequently Contacted	
	Recipients	Non-recipients
Health, Education, and Welfare	27	6
Justice	10	3
Environmental Protection Agency	9	2
Transportation	7	5
Interior	7	3
Labor	5	7
Agriculture	5	1
Housing and Urban Development	4	2
Defense	4	^b
Energy	4	3
Treasury	^b	13
Commerce	2	5
Other	9	21
Not Ascertained	6	29
Total	99	100
N=	1,037	326^c

^a Agencies include designations of their constituent units.

^b Less than 0.5%.

^c The total number is less than 1,393 because 30 respondents for whom receipt of federal aid was undetermined were omitted from the tabulation.

ferences. Recipients and nonrecipients evaluated federal agency personnel with identical mean scores of 2.8. Receiving aid may affect the *object* of contact but appears not to affect the evaluation of those contacted. Getting financial aid from a federal agency does not produce an automatically more favorable evaluation of the quality of the federal personnel.

State Agency Functional Category and Contacts

The functional categories of state agencies and the particular responsibilities they discharge or oversee also affect the upward contacts of their administrators. Table 29 shows the six functional categories and the percentage of administrators in

Table 29

FREQUENCY OF STATE ADMINISTRATORS' UPWARD CONTACT, 1978 BY STATE AGENCY FUNCTIONAL CATEGORY

(percent contacting daily, weekly, or monthly)

Point of Contact	Staff	Functional Category						Total
		Human Resources	Natural Resources and Transportation	Economic Development and Regulation	Criminal Justice	Other	Not Ascertained	
Federal Agency Heads or Staff	16	42	33	32	24	31	29	31
Regional Office Personnel	31	68	71	52	17	48	64	54
State/Area Office Personnel	31	55	71	56	47	40	61	54
U.S. Senators or Their Staff	20	43	36	35	22	32	32	33
U.S. Representatives or Their Staff	19	45	36	34	19	31	32	33
White House or OMB Staff	10	3	3	4	0	5	7	4
Federal Court Personnel	1	4	2	3	16	8	7	4
Advisory Commission on Intergovernmental Relations	7	1	1	4	2	3	4	3

each who report frequent contact (daily, weekly, monthly) with various types of federal officials. Totals for all respondents are shown for comparison.

Heads of state Staff agencies were clearly the least involved in upward contacts. However, they did surpass administrators in other agencies in the extent of contact with White House and OMB personnel and with the ACIR. Human Resource administrators stood out for their contact with U.S. Senators and Representatives, while Criminal Justice agency heads engaged in such contacts about as infrequently as Staff agency heads. Not surprisingly, the Criminal Justice group far surpassed all others in contact with federal court personnel.

The Human Resource agency heads surpassed others in contact with federal personnel in Washington, but those concerned with Natural Resources and Transportation had more frequent contacts with regional and state/area personnel than did others. Notice, also, that Criminal Justice administrators, who had infrequent contact with Washington and regional personnel, did report somewhat more contact with state-area personnel.

Clearly, functional responsibility does structure upward contact. Does it also relate to the particular federal agencies contacted? And to state administrators' evaluations of those agencies? The answer to the first question is obvious. Table 30 shows clearly one aspect of "picket fence" federalism. Even with the gross aggregation of state agencies into only six functional categories, the links they have with particular federal agencies are obvious. Eighty-five percent of Human Resource agency heads listed the Department of Health, Education, and Welfare as the primary contact point. Seventy-four percent of Criminal Justice administrators listed the Justice Department. Natural Resource and Transportation administrators designated the Departments of Transportation and Interior and the Environmental Protection Agency. The heads of Economic Development and Regulation agencies listed Labor, HUD, and Commerce.

Perhaps these findings only demonstrate the obvious—that there are similarities in organizational structures at federal and state levels. But, notice the zero cells in Table 30. These show that there are large groups of state agency heads whose contacts with federal agencies are very restricted or specialized. For these groups a rather limited

set of interpersonal contacts may represent the total upward intergovernmental relationships in which they engage. It is not surprising that, as will be shown below, the perceptions and attitudes of state administrators vary considerably across the functional categories. They may, in fact, be participating in intergovernmental "worlds" that are quite different from those of other state administrators.

State administrators' evaluations of federal agency personnel reveal some slight differences across the functional categories. Shown below are the mean evaluation scores:

Staff	2.7
Human Resources	2.6
Natural Resources	3.0
Economic Development	2.7
Criminal Justice	2.6
Other	2.9

Most notably, the Natural Resource administrators and those in the "Other" category rated the personnel they contact a bit higher than did others. In fact, the former group had a mean score precisely reflecting a "good" rating. The remaining categories, of course, all fell above the midpoint between fair and good—all reasonably positive evaluations.

What differences are present among state agencies in the impact of federal court actions? The incidence of court impacts on both procedures and programs varies considerably among state agencies.

Functional Category	Percent Reporting Federal Court Impact on:	
	Proce- dures	Programs
Staff	27	31
Human Resources	48	48
Natural Resources and Transportation	34	36
Economic Development and Regulation	28	22
Criminal Justice	66	58
Other	24	20

Criminal Justice agency heads not only had the most frequent contact with federal court personnel; a much greater proportion also reported im-

Table 30

FEDERAL AGENCIES MOST FREQUENTLY CONTACTED BY STATE ADMINISTRATORS, BY AGENCY FUNCTIONAL CATEGORY

(percent)

Functional Category

Federal Agency	Staff	Natural Resource and Economic					Other	Not Ascertained
		Human Resource	Transportation	Development	Criminal Justice			
Health, Education, and Welfare	12	85	*	7	4	18	21	
Justice	1	*	*	*	74	7	4	
Environmental Protection Agency	0	*	23	*	1	1	21	
Transportation	1	0	20	1	10	1		
Interior	1	0	21	*	0	0		
Labor	6	5	1	18	1	2	7	
Agriculture	0	*	13	1	0	0	4	
Housing and Urban Development	9	0	0	13	0	1	4	
Defense	1	10	3	0	0	22	4	
Energy	1	2	8	4	0	0	4	
Treasury	13	0	0	1	0	10	11	
Commerce	3	0	1	13	0	0		
Other	21	1	5	24	1	21	11	
Not Ascertained	30	6	5	16	10	19	11	
Total	99	99	100	98	101	102	102	
N=	180	277	374	245	136	153	28	

* Less than 0.5%.

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pacts of court decisions. Human Resource agencies were second, with Natural Resources/Transportation third. Economic Development agencies fell well below the level of impact that the other major categories reported and barely surpassed the relatively minor agencies classified as "Other."

FEDERAL IMPACTS: INTERFERENCE, INTRUSION, INVOLVEMENT

The frequency and focused character of state-federal contacts suggest that there is more than

casual conversation involved. The possibility exists that federal officials can, through all of this contact, have a considerable impact on the affairs of state agencies. Do they? If so, how great an impact is it? How is it perceived and evaluated by state administrators?

Chapter 2 presented a detailed analysis of the aid environment of state agencies. Here we need only refer to a few features of the pervasiveness of federal aid. Seventy-four percent of the administrators reported in 1978 that their agencies received aid, up from 63% in 1974. In 1978, more than one-third of the recipients received aid from three or more federal agencies, i.e., there was ex-

tensive aid diversity; more than one-third received three or more types of aid, i.e., their aid environments were quite complex; and 15% of the recipients were dependent on aid for more than three-fourths of their budgets. Combining the complexity, diversity, and dependency measures produces a composite score for 1978 respondents reflecting their agency's federal aid environment: 19% very low, 30% low, 25% moderate, and 26% high. These groups will be used below to analyze the nature of federal impacts. Their mention here simply emphasizes the complexity of the aid relationship, a refinement of the more general but also complex pattern of contacts.

Federal Interference

48 A favorite word of persons who challenge the propriety and effectiveness of federal aid is "interference." Though the term's meaning is often left vague, it has served as a rallying phrase for state and/or local officials. The term may refer to federal policies standing in the way of state-selected policies, to federal imposition of restrictive administrative procedures, or to the enticing of state decisionmakers (through the promise of aid) into actions they would not take on their own initiative.

What do state administrators think about interference? First, in response to a question that simply used the term, without providing a definition, 75% of the agency heads agreed that federal aid leads to "national interference in affairs that are the appropriate domain of the states." There was no change since the 1974 survey, when an identical percentage perceived national government interference through the aid process.

One possible type of interference is the unbalancing or skewing of state programs. Some administrators might be thinking of the changed policies in state government that they believe result from aid being available for some but not all programs. Fifty-seven percent of the 1978 respondents said that such skewing does take place. Interestingly, this is down from 74% who replied in 1974. Perhaps this is the result of greater awareness of more general aid programs, e.g., General Revenue Sharing and block grants. Indeed, these less restrictive funding innovations in federal aid were direct responses to charges that categorical grants interfered too deeply in state decisionmaking. It appears that, at least as perceived by state administrators, there has been a decline in this

particular type of interference, even though there is no change in the overall, quasi-ideological perception of interference.

Another type of interference is the impact of federal aid on state revenue decisionmaking. The availability of federal aid may decrease the willingness of state decisionmakers to make hard decisions on revenue measures, i.e., shy away from tax increases. An alternative possibility, however, is that matching requirements in grant programs may have encouraged the enactment of tax increases—ones at least large enough to provide matching money.

The predominant view among administrators is that federal aid has increased state revenue efforts. The 1974 and 1978 survey results are shown below (for aid recipients only).

Effects of Federal Aid on State Tax Effort	(percent)	
	1974	1978
Increased	49	50
No Effect	34	25
Decreased	12	17
Not Ascertained	5	8

In both 1974 and 1978 about half the agency heads saw federal aid as stimulating state revenue efforts. Between the two surveys, however, there was a slight increase in the percentage who thought aid decreased effort and a decline in those who saw it as having no effect. For some administrators, any impact that aid has on tax effort may be seen as a form of interference. For others interference may be present only if the impact is contrary to the administrator's preferred direction. Indeed, since the purpose of some aid is to stimulate state action, many administrators may see increased tax effort quite positively.

Finally, federal aid programs often carry with them rather rigorous standards to be met by recipients, standards some see as unwarranted and representing the worst type of federal interference. We asked administrators whether they thought the national government should "set strict performance standards for federally funded programs." State administrators are almost equally divided on this issue. In 1978, 41% said "yes," 40% said "no," and 19% were either undecided or did not answer. In the 1974 survey, the comparable question was worded slightly different,

but results were much the same: 46% "yes;" 41% "no;" 13% undecided or not ascertained.

Administrators, like many others, are not of one mind on whether control should be exercised by those who pay the bills, i.e., he who pays the piper calls the tune. There is a sharp cleavage of opinion over where accountability rests for setting and monitoring performance standards for federally funded programs.

Federal Intrusion

Federal aid programs provide opportunity for federal decisionmakers to inject national aims or purposes into the state decision process. We refer to this as intrusion. To explore this type of federal impact we used a series of questions directed to administrators whose agencies receive aid. This subgroup of our respondents is strategically situated to comment on intrusiveness.

As indicated earlier, a major basis for federal government impact is through its funding of state programs. That funding carries with it certain "strings." We asked agency heads about the effect of the strings. Specifically, they were asked if they would allocate money differently if no "strings" were attached. As Table 31 shows, the surveys in 1964 and 1968 allowed only simple "yes" and "no" responses, while those of 1974 and 1978 per-

mitted administrators to specify the degree of preferred reallocation. The "no reallocation" responses show a sharp change between 1968 and 1974. The trend throughout shows declining percentages. A growing proportion of administrators say that, without strings, their allocational decisions would be different. In both 1974 and 1978 about one-fifth of the state agency heads would make substantial or radical changes.

One possible explanation for the sharp change from 1968 to 1974 was the attention focused on the restrictiveness of categorical grants during that period. Out of that discussion/controversy came revenue sharing and block grants. It is possible that the controversy created a new awareness by administrators of the restrictiveness or intrusiveness of federal funds. This awareness or consciousness of federal constraints, as measured by the reallocation preference question, has not been alleviated by the passage of block grant and revenue sharing legislation. To a considerable extent, then, federal aid with "strings" is perceived by state agency heads as intrusive—producing spending patterns that would not prevail if the aid did not have the federal constraints.

Another way in which the federal government, through the aid mechanism, might intrude on state decisionmaking is by affecting the amount of support state decisionmakers are willing to pro-

Table 31

PREFERENCE FOR REALLOCATING FEDERAL AID IF THE AID WAS WITHOUT "STRINGS"

Administrator's Preference	(percent)			
	1964	1968	1974	1978
No, Reallocation	43	41	26	22
Yes, Reallocation	52	56	68	70
Degree of Reallocation (1974 and 1978 only)				
Slight			11	8
Moderate			38	41
Substantial			17	19
Radical			2	2
Not Ascertained	4	3	6	8
Total	99	100	100	100
N=	317	535	1,000	1,037

vide from state revenue sources. Heads of agencies receiving aid were asked whether they found that federal aid displaced state funds they might otherwise receive. A follow-up query probed whether the displacement was slight, moderate, or substantial. A bare majority (51%) said that displacement or a reduction in state effort did not occur. About 40% of the agency heads felt that displacement did occur. Among the latter group considerable divergence was present regarding the degree of displacement. One-third indicated it was "slight," over 40% reported it as "moderate," and one-fifth thought it was "substantial." It seems clear that significant proportions of state agency heads view federal aid as exerting a noteworthy fiscal presence in the operations of their agency.

50 A follow-up question asked those perceiving displacement whether it occurs for categorical grants and/or block grants. Sixty-two percent of the 40% reporting displacement found it present when categorical grants were the aid mechanism; only 16% indicated it occurred with block grants while 22% noted its presence in both types of aid. Apparently the specificity of categorical grants makes it easier for state decisionmakers to conclude that needs of an agency are being met by federal grant funds and to direct available state funds elsewhere.

Two questions asked administrators about changes in federal aid to their agencies over the past five years. The first inquired about increases or decreases in aid itself and the second about changes in agency discretion in using aid received. The vast majority reported increases, although not extraordinarily large ones. The first tabulation below shows the proportions of administrators indicating varying degrees of change in federal aid.

Extent of Federal Aid Change	Percent of Administrators
101% increase or more	6
51-100% increase	8
21-50% increase	17
1-20% increase	23
No change	18
1-20% decrease	5
21-50% decrease	4
50-100% decrease	1
Not ascertained	17

Nearly one-third reported increases of more than 20% but the modal category is the one showing an increase of 1% to 20%. Almost one-fifth reported no change while only 10% indicated a decrease during the past five years.

What about recipient discretion? Has the form and extent of aid changed sufficiently so that recipients see increased or decreased discretion? The tabulations below show the response distribution.

Degree of Change in Discretion	Percent of Administrators
Substantial Increase	2
Moderate Increase	12
Slight Increase	9
No Change	44
Slight Decrease	5
Moderate Decrease	12
Substantial Decrease	6
Not Ascertained	9

More than two-fifths perceived no change in discretion but a total of 23% said their discretion had increased. An identical 23% reported that their discretion in using federal aid had decreased. One reasonable conclusion, based on administrators' perceptions, is that no consistent pattern applies to changes in discretion brought about by modifications of aid programs.

A further type of intrusion examined by the 1978 and prior ASAP surveys was the effect on the state's political process. Data above have demonstrated the extensive contact between administrators and politically responsible state officials—Governor, the legislators, and their respective staffs. It is sometimes claimed that the availability of federal aid permits agencies a significant degree of independence from these normally crucial elements of their environments. To assess this possibility, we asked federal aid recipients whether their agency operations were less subject to supervision by the Governor and legislature in federally financed activities than in activities financed solely by the state. Table 32 shows that in 1978, 48% said that they were less subject to supervision and 50% said they were not. This had changed little since 1964.

Several factors might account for the nearly even division of administrators on this point. One lies in the variation in how states treat federal

Table 32

AGENCY AUTONOMY FROM GOVERNOR AND LEGISLATURE IN FEDERALLY FINANCED ACTIVITIES: STATE ADMINISTRATORS' PERCEPTIONS, 1964-78

Agency Less Subject to Supervision by Governor/Legislature	(percent)			
	1964	1968	1974	1978
Yes	47	44	46	48
No	48	55	51	50
Not Ascertained	4	2	3	2
Total	99	100	100	100
N=	317	535	1,000	1,033

funds. Some states require much closer scrutiny as part of the state's financial processes than others. Another is in the nature of particular programs funded and the proportion of the budget coming from aid. In short, the aid situations of administrators vary too widely to produce agreement. It is significant, however, that almost one-half feel that federal aid does relax supervision of the state's politically responsible officials.

It also seems noteworthy that there has been virtually no change in the proportions indicating greater autonomy over the four ASAP surveys. Slightly less than half of the aid-recipient state agency heads consistently acknowledge this autonomy with federal aid funds. This seems somewhat surprising when one considers the major shifts that have occurred in federal aid policies between 1964 and 1978. The explanation of this anomalous consistency is not readily apparent.

Federal Involvement

Few would question a claim that receipt of federal aid carries with it a degree of federal involvement. Whether this involvement can be classified as intrusion or interference has been discussed in the two previous sections. Further, many would concur with a statement that some such involvement is entirely proper. But in which aspects of state agency operations is such involvement found? In which aspects do state administrators find federal involvement most appropriate and where least appropriate?

Two questions were asked of all federal aid recipients in 1978. Each listed five possible areas of involvement. The first question asked what the degree of involvement is in each of the five areas. The second asked what the involvement should be in each area.

A quick scan of Table 33 shows that, in general, state administrators thought that federal involvement is greater than it should be. This held for all listed areas, although the difference between "is" and "should be" was modest for the area of evaluating program results. It is this form of involvement to which administrators are most receptive. Only 24% said that federal involvement should be low and only a bare majority (53%) said it should be either low or moderate. The next most acceptable type of involvement concerns substantive program policies. Over one-third opted for a low involvement. Almost three-fourths (72%) said low or moderate involvement with 19% approving a high level of involvement. For the areas of administrative operations, personnel policies, and organization structure, about 10% of the state agency heads indicated high involvement with only 1% to 2% concurring with this level.

Notice, however, the differences between what *should be* and *what is*. For purposes of rough comparison, we have assigned numerical scores to the response categories. From these we calculate two mean scores, a perception (*is*) score and a preference (*should be*) score. In all five areas, the perception score is higher than the preference score. That is, the administrators as a group perceive federal involvement to exceed the preferred level.

	Program Policies	Administrative Operations	Evaluation of Results	Personnel Policies	Organization Structure
Perception	2.1	1.5	2.2	1.5	1.4
Preference	1.8	1.1	2.1	1.2	1.2
	0.3	0.4	0.1	0.3	0.2

The area of administrative operations produces the largest difference between perception and preference scores. This is closely followed by discrepancies in the areas of program policies and personnel policies. But the evaluation area is viewed by administrators quite differently from the other two areas. The preferred level of federal involvement is nearly identical to the perceived level of involvement.

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Involvement with administrative operations produces the lowest preference score of all five areas, while involvement with program policies produces one that is second only to that of evaluation. Despite this difference, administrators perceive federal involvement beyond the preferred level in all five instances. Although they think there should be more involvement in pro-

gram policies than in administrative operations or personnel matters, they believe that in all three the actual involvement extends well beyond that desired.

Federal involvement in organizational structure matters is seen as modestly exceeding the preferred level. But notice that this area produces the lowest score on perceived involvement.

The cursory look at *Table 33* suggested that evaluation of results is a distinctive area. Not only does it have the most federal involvement, it is by a considerable margin the area in which such involvement is preferred. Further, the difference between the two scores is only 0.1. Several factors might account for this high level of actual and preferred involvement. Formal evaluation is relatively new for both federal and state agencies.

Table 33

FEDERAL INVOLVEMENT IN DECISIONS AND ACTIVITIES OF STATE AGENCIES

(percent)

Areas of Involvement	Low	Moderate	High	NA	Total	N =
1. Substantive Program Policies						
Is	22	29	41	8	100	1,037
Should Be	36	36	19	9	100	1,037
2. Daily Administrative Operations						
Is	55	26	11	8	100	1,037
Should be	80	10	1	9	100	1,037
3. Evaluation of Program Results						
Is	17	38	37	8	100	1,037
Should Be	24	29	37	9	99	1,037
4. Personnel Policies						
Is	60	21	11	8	100	1,037
Should be	77	12	2	9	100	1,037
5. Agency Organization Structure(s)						
Is	60	22	10	9	100	1,037
Should Be	78	11	2	9	100	1,037

The new character of this activity (82% of the agencies that have evaluation units created them in the last ten years) probably makes federal help welcome. Also, these new units are not yet staffed with their own fully trained (and perhaps entrenched) personnel. The flow of new staff into them may lessen resistance to federal involvement.

A finding deserving brief comment is the low level of perceived federal involvement in personnel policies. The impact of federal funding on state employment practices is not strongly reflected in these results. Even with controversies stimulated by affirmative action requirements, this area produces a low perceived involvement score.

ANALYSIS OF FEDERAL IMPACTS

The preceding section presented several glimpses of federal impacts on state agencies as seen by heads of those agencies. Considerable variation was present among administrators in the reported extent and character of federal interference, intrusion, and involvement. Some saw far more of these impacts than others. How can these differences be explained?

A multitude of factors might be explored, factors ranging from individual attributes like administrator's personality or education to broad systemic differences in state politics. Based on past research and ACIR interest, two variables were chosen to be analyzed in detail: (1) federal aid environment of state agencies and (2) functional category of the agencies. The former is measured by the composite federal aid measure described briefly above and presented in detail in Chapter 2. The latter measure is reflected in a six-way classification of state agencies by functional category, a classification also employed in earlier chapters.

Federal Interference

Four items were identified as measures of possible interference by the federal government in affairs of the states. All were linked to federal aid effects through: reported interference, attitude toward strict performance standards, impact on state fiscal effort, and reported skewing of state programs.

The functional category of the administrator's agency does appear to affect the views adminis-

trators hold on interference measures (see Table 34). For example, the percentages saying that aid had led to interference differed moderately among the six categories. Administrators with the most general responsibility, i.e., Staff personnel, perceived interference to the greatest extent. Natural Resource agency heads followed rather closely, but others were clustered slightly above or below 70% agreement. Differences among the categories continued across all four variables. Staff personnel were especially likely to see federal aid as

Table 34

ATTITUDES TOWARD FEDERAL AID INTERFERENCE, BY AGENCY FUNCTIONAL CATEGORY^a

National Interference	
Staff	84
Natural Resources	81
Human Resources	72
Criminal Justice	70
Economic Development/Regulation	68
Other	67
(Total Sample)	(75)
Impact on State Fiscal Effort	
Human Resources	72
Criminal Justice	71
Staff	67
Natural Resources	67
Other	65
Economic Development/Regulation	59
(Total Sample)	(67)
Skewing State Programs	
Staff	67
Human Resources	61
Natural Resources	61
Criminal Justice	57
Other	51
Economic Development/Regulation	47
(Total Sample)	(57)
Preference for Standards	
Natural Resources	43
Human Resources	42
Criminal Justice	41
Staff	41
Other	40
Economic Development/Regulation	39
(Total Sample)	(41)

^a The numbers indicate, respectively, the percent perceiving interference, skewing, and impact on state fiscal effort (increase or decrease) and the percent favoring strict performance standards.

skewing state programs; those responsible for Economic Development were least likely. The effect that aid has on state fiscal effort was most apparent to Human Resource and Criminal Justice administrators. Economic Development administrators were least likely to see fiscal effort impacts as a result of federal aid. The fourth interference variable asked whether the national government should set strict performance standards for federally funded programs. This is a preference rather than a factual judgment variable and here there are virtually no differences among the functional categories.

A distinctive pattern persisted across the four interference measures. Administrators of programs of Economic Development and Regulation did not report federal interference to the extent other administrators did. This is especially interesting in view of their ranking last in preference for federal

standards. At the other extreme, Staff personnel, appearing at the top of the list on two of the variables, perceived interference to a considerable extent. Human Resource agency heads also appeared high in the rankings for the four measures.

The consistency of placement on the lists emphasizes the impact of function. Not only are there differences among the functionally distinct agency heads; the differences are systematic. Apparently the particular programs administered or the patterns of federal relationships associated with those programs noticeably affect administrators' perceptions.

If the nature of federal aid relationships helps produce these differences among functions, we would expect an association between perceptions and composite federal aid scores. Table 35 lists the four categories of administrators, according to composite federal aid scores and provides appropriate percentages for each group for the four interference variables. These tendencies lean toward a relationship between composite scores and responses of administrators. Agency heads with higher scores perceive more interference, more skewing, greater impact, and prefer stricter standards than do those with low scores. The differences are not large but tend to be consistent. The conclusion implied is that the aid relationship does have an impact on perceptions of federal interference.

Federal Intrusion

Intrusion by the federal government into state affairs was measured by five items, three on fiscal intrusiveness, one on intrusion into policy choices, and one on intrusion into institutional relationships.

The first measure of fiscal intrusion asked agency heads whether they would allocate aid funds differently if there were no "strings" attached. Preference for such reallocation has been increasing over the 14 years of state administrator surveys and in 1978 it stood at 70%. The second item asked whether aid displaces or allows a reduction in state funding of agency programs; nearly half said such displacement occurs. Finally, administrators were asked whether aid to their agencies had increased or decreased over the past five years; a majority reported an increase in federal aid.

Table 36 shows the percentages of administrators in each functional category who would real-

Table 35

ATTITUDES TOWARD FEDERAL AID INTERFERENCE, BY COMPOSITE FEDERAL AID SCORES^a

National Interference	
High	79
Moderate	75
Low	74
Very Low	76
Impact on State Fiscal Effort	
High	75
Moderate	72
Low	69
Very Low	68
Skewing State Programs	
High	69
Moderate	64
Low	62
Very Low	51
Preferences for Standards	
High	47
Moderate	43
Low	40
Very Low	43

^a The numbers indicate, respectively, the percent perceiving interference, skewing, impact on state fiscal effort (increase or decrease), and the percent favoring strict performance standards.

Table 36

ATTITUDES TOWARD FISCAL INTRUSION, BY AGENCY FUNCTIONAL CATEGORY^a

Preference for Reallocation	
Human Resources	75
Staff	74
Criminal Justice	72
Natural Resources	68
Other	67
Economic Development/Regulation	63
Displacement of State Funds	
Criminal Justice	48
Natural Resources	44
Other	43
Human Resources	40
Staff	39
Economic Development/Regulation	37
Increase in Aid	
Natural Resources	78
Human Resources	74
Other	67
Economic Development/Regulation	64
Staff	55
Criminal Justice	32

^a The numbers indicate, respectively, the percent who would reallocate if there were no "strings," the percent perceiving displacement of state funds, and the percent reporting an increase in aid in the past five years.

locate, who perceived displacement, and who reported aid increases. Administrators heading Human Resource and Staff agencies were more in favor of reallocation than other agency heads. Administrators of Economic Development/Regulatory agencies were least inclined toward reallocation. The differences between the high and low groups were not large and a clear majority of each category of administrator favored reallocation.

Proportions across the functional categories did not vary widely on the displacement variable. And in no instance did a majority perceive the displacement of state funds. Nearly half (48%) of the Criminal Justice agency heads did report displacement effects. This comparatively high figure may be a function of the LEAA block grant program approach. Again, the Economic Development/Regulatory agency heads were the lowest category. We suspect that this position may be the

result of the low level(s) of receipt of federal funds by these types of agencies.

The final variable in Table 36 reveals sharp contrasts in estimates of greater federal presence through increases in federal aid. About three-fourths of the administrators in Natural and Human Resource agencies reported federal aid increases. Slightly more than half of the Staff agency heads indicated increases but less than one-third of the Criminal Justice agency heads reported aid increases. The number of responses is insufficient to permit state-by-state analyses to match these results with actual aid changes in each functional category from 1973 to 1978. The rankings revealed in Table 36, however, do correspond roughly to what we know about aggregate federal aid changes in the mid-1970s.

State administrators' views on fiscal intrusion by composite federal aid scores are presented in Table 37. There was a consistent and clear positive association between high federal aid scores and intrusiveness. On all three questions, those with very low scores had the smallest percentage indicating intrusion, i.e., preferring reallocation, perceiving displacement, and reporting aid increases. For reallocation preferences and per-

Table 37

ATTITUDES TOWARD FISCAL INTRUSION, BY COMPOSITE FEDERAL AID SCORES^a

Preference for Reallocation	
High	83
Moderate	76
Low	74
Very Low	60
Displacement of State Funds	
High	48
Moderate	43
Low	48
Very Low	35
Increase in Aid	
High	75
Moderate	74
Low	66
Very Low	57

^a The numbers indicate, respectively, the percent who would reallocate if there were no "strings," the percent perceiving displacement of state funds, and the percent reporting an increase in aid in the past five years.

ceived increases the percentages indicating intrusion rose consistently with composite federal aid scores. Over four-fifths of the administrators most deeply linked to federal aid preferred reallocation. Among the same group three-fourths reported increased federal aid. The latter finding indicates that those administrators who were already heavily tied to federal aid direct agencies in which federal aid continued to increase.

In addition to the three fiscal intrusion questions, agency heads were asked whether, during the last five years, their agencies had gained or lost discretion in use of federal aid. Almost one-half reported no change in discretion. The remainder were evenly divided between those who thought they lost or gained discretion in the use of federal aid. There were some modest but noteworthy differences among the various administrators when divided by agency functional categories. The contrasts are shown below for the six functional groups.

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Percent Perceiving Increased Discretion	
Other	27
Natural Resource	25
Economic Development	23
Criminal Justice	23
Human Resource	23
Staff	18
Percent Perceiving Decreased Discretion	
Human Resource	29
Criminal Justice	24
Staff	21
Natural Resource	19
Economic Development	18
Other	14

There was considerable division over whether discretion had increased or decreased. The conglomerate category of "Other" administrators shows the largest difference between the percentage seeing an increase and seeing a decrease. They, along with the Natural Resource and Economic Development agency heads, leaned in the direction of increased discretion but the margins were smaller for these latter two groups. Regardless of functional responsibility state administrators apparently have not seen dramatic changes in discretion. Human Resource and Criminal Jus-

tice administrators were most conscious of decreased discretion as more than one-fourth indicated they perceived decreased discretion.

These differences across categories, while not large, occur on the underlying base of two broader findings. First, the most frequent view among state administrators on changes in discretion was that there had been no noteworthy change. Second, among those perceiving some change, there was approximately an equal split between those perceiving more and those perceiving less discretion in the use of federal aid.

The extent of immersion in the aid process, as measured by composite aid score, also seemed to affect the way administrators saw developments in discretion. The deeper the connections with federal aid the more the perception of change in discretion, either more or less.

Percent Perceiving Increased Discretion

High	28
Moderate	29
Low	24
Very Low	17

Percent Perceiving Decreased Discretion

High	32
Moderate	29
Low	22
Very Low	17

Among those administrators whose agencies are, relatively, on the periphery of the federal aid process, only a small proportion discerned changes in discretion—17% in both the increase and decrease groups. Moving up the composite score categories reveals increasing proportions perceiving changes in discretion to the point where nearly one-third reported a change in discretion for both the increase and decrease groups.

The final measure of intrusiveness involves institutional relationships. Do the functional responsibilities and composite aid scores affect the way administrators see the impact of aid on relationships between their agencies and state political institutions? State administrators were almost evenly divided on the question of whether federally financed activities were subject to less supervision by the Governor and legislature. A

breakdown of responses by functional category reveals some differences.

Percent Perceiving Less Supervision	
Human Resource	53
Natural Resource	48
Criminal Justice	48
Other	43
Economic Development	42
Staff	40

Only among Human Resource administrators did a majority report decreased supervision. Interestingly, Staff administrators, who in most respects reported considerable federal impacts, were the group seeing the least impact on institutional relationships. Perhaps their closer and more direct link to the Governor (and legislators) reduces the prospect that federal aid will foster an escape from rather close supervision. On the other hand, it is significant that even among these Staff personnel, two-fifths see some greater independence.

What about aid environment? Does greater or lesser immersion in the federal aid process affect perceptions of supervision?

Percent Perceiving Less Supervision	
High	55
Moderate	48
Low	50
Very Low	42

The group with high composite federal aid scores was the only one in which a majority perceived less supervision. The very low group had the smallest proportion. Indeed, administrators' particular aid environment seemed to affect perception in the direction one would expect.

Perceived and Preferred Federal Involvement

FUNCTIONAL CATEGORIES

Data presented earlier demonstrated that administrators perceive more federal involvement than they prefer. This is true for all five categories of involvement. Table 38 presents the mean perception and preference scores for administrators in each functional category as well as the differ-

ences between them. In all but three cases the perceived level of involvement was greater than the preferred level. All three exceptions involved program evaluation. For only one of these, among "Other" administrators, did preference exceed perception; this group preferred a greater level of involvement in evaluation than presently exists.

Scanning Table 38 vertically, one notes that only for Staff administrators did all mean preference and perception scores fall below 2.0. All other functional categories perceived involvement above this level in both substantive program matters and program evaluation. All preferred involvement at such level in evaluation, but only Human Resource administrators did in program matters.

There is not much variation in the difference scores across the functional categories. In no row was there a spread of more than 0.2 between the high and low difference scores. Where one category of administrators perceived a considerable excess of involvement over the level preferred, those in the other categories revealed similar discrepancies between what is and what they think should be.

Administrators' perceptions and preferences tend to follow each other; groups with higher perceptions of actual federal involvement tend to prefer higher involvement. In other words, the functional categories seem to affect both perceptions and preferences, but they have less effect on net "satisfaction" as measured by the difference scores.

Human Resource administrators perceived the highest involvement in all five types of activities; they also preferred the highest levels of involvement in three of these. Staff and Criminal Justice administrators occupied the other extreme. These two groups tended to report lower perceptions of and lower preferences for federal involvement. The overall conclusion, however, was that variations among the functional categories did not follow a precise pattern, nor were they extreme. Functional category makes some difference, but not a great one.

COMPOSITE SCORES

Table 38 shows mean perception and preference scores for the different levels of composite federal aid score. (Only administrators who headed agencies that received aid are included.) The composite scores reflect features of their aid environ-

Table 38

FEDERAL INVOLVEMENT IN DECISIONS AND ACTIVITIES OF STATE AGENCIES, PERCEIVED AND PREFERRED INVOLVEMENT, BY AGENCY FUNCTIONAL CATEGORY^a

	Staff	Human Resource	Natural Resource	Economic Development Regulation	Criminal Justice	Other
Substantive Program						
Perception	1.9	2.5	2.2	2.1	2.0	2.2
Preference	<u>1.6</u>	<u>2.0</u>	<u>1.8</u>	<u>1.8</u>	<u>1.5</u>	<u>1.9</u>
Difference	.3	.5	.4	.3	.5	.3
Daily Operations						
Perception	1.5	1.6	1.5	1.5	1.4	1.4
Preference	<u>1.1</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>	<u>1.1</u>	<u>1.1</u>
Difference	.4	.5	.5	.3	.3	.3
Program Evaluation						
Perception	1.9	2.3	2.3	2.2	2.0	2.2
Preference	<u>1.9</u>	<u>2.2</u>	<u>2.2</u>	<u>2.1</u>	<u>2.0</u>	<u>2.3</u>
Difference	.0	.1	.1	.1	.0	.1
Personnel Policies						
Perception	1.6	1.6	1.3	1.6	1.5	1.5
Preference	<u>1.2</u>	<u>1.3</u>	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.1</u>
Difference	.4	.3	.2	.4	.3	.4
Organization Structure						
Perception	1.4	1.6	1.4	1.5	1.3	1.5
Preference	<u>1.1</u>	<u>1.3</u>	<u>1.1</u>	<u>1.1</u>	<u>1.1</u>	<u>1.2</u>
Difference	.3	.3	.3	.4	.2	.3

^a Scores are mean scores, based on a scale of 1.0 to 3.0, with 1.0 indicating low involvement.

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ments, with higher scores designating a combination of high dependency, complexity, and diversity.

The perception scores in Table 39 show a marked relationship between composite score and perception of federal involvement. Administrators of agencies with higher aid scores perceived greater federal involvement. The relationship held for all five types of activities, although it was weak for the program evaluation variable.

There was a slight tendency for administrators of agencies with higher composite aid scores to prefer more federal involvement. The differences were not consistent, however, and were so slight

that the observation may apply only to those with "very low" composite scores. This group had the lowest mean score in every involvement category.

The difference scores, a crude measure of "satisfaction" with federal involvement, showed distinct variation except for the program evaluation variable. Those least immersed in federal aid were those most satisfied with federal involvement. In other words, tensions resulting from the discrepancy between actual and preferred federal involvement were greatest for those state administrators who were the most deeply enmeshed in federal aid processes, as measured by dependency, diversity, and complexity.

Table 39

FEDERAL INVOLVEMENT IN DECISIONS AND ACTIVITIES OF STATE AGENCIES, PERCEIVED AND PREFERRED FEDERAL INVOLVEMENT BY COMPOSITE AID SCORES^a

	Very Low	Low	Moderate	High
Substantive Program				
Perception	1.9	2.2	2.4	2.5
Preference	<u>1.7</u>	<u>1.7</u>	<u>2.0</u>	<u>2.0</u>
Difference	.2	.5	.4	.5
Daily Operations				
Perception	1.4	1.6	1.6	1.7
Preference	<u>1.1</u>	<u>1.2</u>	<u>1.1</u>	<u>1.1</u>
Difference	.2	.4	.5	.6
Program Evaluation				
Perception	2.0	2.3	2.3	2.2
Preference	<u>2.0</u>	<u>2.2</u>	<u>2.2</u>	<u>2.0</u>
Difference	.0	.1	.1	.2
Personnel Policies				
Perception	1.1	1.4	1.5	1.6
Preference	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
Difference	.0	.2	.3	.4
Organization Structure				
Perception	1.3	1.5	1.5	1.6
Preference	<u>1.1</u>	<u>1.2</u>	<u>1.2</u>	<u>1.2</u>
Difference	.2	.3	.3	.4

^a Scores are mean scores, based on a scale of 1.0 to 3.0, with 1.0 indicating low involvement.

FOOTNOTES

¹ The frequencies reported in the chapter for the total number of survey responses (N=1,393) and the number of federal aid recipients (N=1,037) differ slightly from the frequencies reported in earlier chapters.

² William Anderson, *Intergovernmental Relations in Re-*

view, Minneapolis, MN, University of Minnesota Press, 1960, p. 4.

³ For an early study of IGR contacts and attitudes, see Edward W. Weidner, *Intergovernmental Relations as Seen by Public Officials*, Minneapolis, MN, University of Minnesota Press, 1960.

⁴ "Judicial Law Making and Administration," *Public Administration Review*, September/October, 1976.

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Agency Codes (Numeric and Alpha) for State Agencies, 1974 and 1978 Mail Surveys

Numeric	Alpha	
01	AJGN	Adjutant General
02	AF&G	Administration & Finance
03	ADVT	Advertising (Tourism in 1978)
04	AERO	Aeronautics
05	AGE	Aging
06	AGRI	Agriculture
07	ARTS	Arts Council (1974 only)
08	ATOM	Atomic Energy (1974 only)
09	AUDT	Auditor (Post) (Post-Audit, 1978)
69	ATGN	Attorney General
10	BANK	Banking
11	BUD	Budget
12	CDEF	Civil Defense (Disaster Preparedness in 1978)
70	CENA	Centralized Accounting (1978 only)
13	CRCE	Commerce
14	CAFF	Community Affairs
15	CMPT	Comptroller (1974 only)
16	CPRO	Consumer Protection
17	CORR	Corrections
18	CTAD	Court Administration
19	CJUS	Criminal Justice Planning
20	DRUG	Drug Abuse

Numeric	Alpha	
21	ECDE	Economic Development
22	EDUC	Education (Chief State School Officer)
23	ESEC	Employment Security
71	ENGY	Energy Office (1978 only)
24	ENVI	Environment
72	FEDS	Federal-State Relations—Washington Office (1978 only)
25	FISH	Fish & Game
26	FOOD	Food & Drugs
27	FORE	Forestry
28	GEOL	Geology
29	HEAL	Health
30	HIED	Higher Education (Executive Officer)
31	HIWA	Highways
32	HSAF	Highway Safety (1974 only)
33	HFAG	Housing Finance Agency
34	HUMR	Human Rights
35	INFO	Information Systems
36	INSU	Insurance
37	JDEL	Juvenile Delinquency
38	LA&M	Labor (Arbitration and Mediation)
39	L&IR	Labor & Industrial Relations
40	LAW	Law Enforcement (Police and Highway Patrol in 1978)
41	LIBR	Library (State)
42	LICE	Licensing (Occupational/ Professional)
80	LIBL	Library (Law)
73	LICB	Licensing (Business) (1978 only)
43	LIQC	Liquor Control
74	MASS	Mass Transit
75	MEDI	Medicaid Programs (1978 only)

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Numeric	Alpha	
44	MENH	Mental Health
45	MENR	Mental Retardation
46	MINE	Mining
47	MVEH	Motor Vehicle Registration
48	NATR	Natural Resources
76	OSHA	Occupational Safety & Health (1978 only)
49	O&G	Oil & Gas Regulation
50	PARK	Parks
51	PARO	Parole & Probation (Adult)
51	PARO	Parole & Probation (Juvenile)
52	PERS	Personnel
53	PLAN	Planning (State Planning in 1978)
54	PC-A	Pollution Control (Air)
55	PC-W	Pollution Control (Water)
56	PUBA	Public Assistance (Social Services in 1978)
77	PREA	Pre Audit (1978 only)
57	PUBU	Public Utility Regulation
58	PUBW	Public Works (1974 only)
59	PRCH	Purchasing
68	SCYS	Secretary of State
60	SECU	Securities
61	SWMG	Solid Waste Management
62	TAX	Taxation (Overall Administration)
63	TRAN	Transportation Department
64	TREA	Treasurer
78	VOED	Vocational Education (1978 only)
79	VORE	Vocational Rehabilitation (1978 only)
65	WRMG	Water Resources
66	WELF	Management Welfare (Overall Administration)
67	WCOM	Workmen's Compensation

AMERICAN STATE ADMINISTRATORS PROJECT (ASAP)

Agency Function Categories (13-category code—FUNCAT 13)

1. Elected Officials

09 AUDT
64 TREA
68 SCYS
69 ATGN

2. Staff: Fiscal

02 AF&G
11 BUD
62 TAX
70 CENA
77 PREA
72 FEDS

3. Staff: Non-Fiscal

35 INFO
52 PERS
53 PLAN
59 PRCH

4. Income Security and Social Services

05 AGE
23 ESEC
56 PUBA
66 WELF
79 VORE
75 MEDI

5. Education

22 EDUC
30 HIED
78 VOED

FUNCAT 13

6. Health

20 DRUG
29 HEAL
44 MENH
45 MENR

7. Natural Resources

06 AGRI
25 FISH
27 FORE
28 GEOL
46 MINE
48 NATR
50 PARK

8. Environment and Energy

24 ENVI
49 O&G
54 PC-A
55 PC-W
61 SWMG
65 WRMG
71 ENGY

9. Economic Development

03 ADVT
13 CRCE
14 CAFF
21 ECDE
33 HFAG
39 L&IR

10. Criminal Justice

17 CORR
19 CJUS
37 JDEL
40 LAW
51 PARO
18 CTAD

11. Regulatory

10 BANK
16 CPRO
26 FOOD
36 INSU
38 LA&M
42 LICE
57 PUBU

FUNCAT 13

60 SECU
67 WCOM
73 LICB
76 OSHA

12. Transportation

04 AERO
31 HIWA
47 MVEH
63 TRAN
74 MASS

13. Other

01 AJGN
12 CDEF
34 HUMR
41 LIBR
43 LIQC
80 LIBL

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Agency Functional Categories (six-category code—FUNCAT 6)

1. Staff

Staff: Fiscal
Staff: Nonfiscal

2. Human Resources

Income Security and Social Security
Education
Health

3. Natural Resources and Transportation

Natural Resources
Environment and Energy
Transportation

4. Economic Development and Regulation

Economic Development
Regulatory

5. Criminal Justice

6. Other

Elected Official
Other

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The Commission is composed of 26 members—nine representing the Federal government, 14 representing state and local government, and three representing the public. The President appoints 20—three private citizens and three Federal executive officials directly and four governors, three state legislators, four mayors, and three elected county officials from states nominated by the National Governors' Association, the National Conference of State Legislatures, the National League of Cities/U.S. Conference of Mayors, and the National Association of Counties. The three Senators are chosen by the President of the Senate and the three Congressmen by the Speaker of the House.

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