

**THE  
FEDERAL  
ROLE IN THE  
FEDERAL SYSTEM:  
THE DYNAMICS OF  
GROWTH**

**An Agenda for American Federalism:  
Restoring Confidence and Competence**

**ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**

Washington, D.C. 20575 June 1981





A Commission Report



**THE  
FEDERAL  
ROLE IN THE  
FEDERAL SYSTEM:  
THE DYNAMICS OF  
GROWTH**

**An Agenda for American Federalism:  
Restoring Confidence and Competence**



**ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS**  
Washington, D.C. • June 1981



# Foreword

**T**he Advisory Commission on Intergovernmental Relations (ACIR) was established by Public Law 380, which was passed during the first session of the 86th Congress and approved by the President, September 24, 1959. Section 2 of the act sets forth the purpose and specific responsibilities for the Commission:

Sec. 2. Because the complexity of modern life intensifies the need in a federal form of government for the fullest cooperation and coordination of activities between the levels of government, and because population growth and scientific developments portend an increasingly complex society in future years, it is essential that an appropriate agency be established to give continuing attention to intergovernmental problems.

It is intended that the Commission, in the performance of its duties, will:

(1) bring together representatives of the federal, state, and local governments for the consideration of common problems . . . .

(5) encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation.

(6) recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsi-

bilities, and revenues among the several levels of government . . . .

Pursuant to its statutory responsibilities, the Commission from time to time has been requested by the Congress or the President to examine particular problems impeding the effectiveness of the federal system. The 1976 renewal legislation for General Revenue Sharing, Public Law 94-488, mandated in Section 145 that the Commission:

. . . study and evaluate the American federal fiscal system in terms of the allocation and coordination of public resources among federal, state, and local governments including, but not limited to, a study and evaluation of: (1) the allocation and coordination of taxing and spending authorities between levels of government, including a comparison of other federal government systems . . . (5) forces likely to affect the nature of the American federal system in the short-term and long-term future and possible adjustments to such system, if any, which may be desirable, in light of future developments.

The study, *The Federal Role in the Federal System: The Dynamics of Growth*, of which the present volume is one component, is part of the Commission's response to this mandate. Staff were directed to: (a) examine the present role of the federal government in the American federal system; (b) review theoretical perspectives on American Federalism, assignment of functions, and governmental growth; and (c) identify historical and political patterns in the development and expansion of national governmental domestic activities. Specifically, Commission staff prepared an 11-volume series of which seven are case studies of particular governmental functions and two examine the broader indicators of federal growth and the condition of contemporary federalism. This volume represents the culmination of the federal role study. It contains a synthesis, an analysis, and an assessment of the preceding nine volumes, as well as the Commission's recommendations for reforming the federal system. It was approved by the Commission on June 20, 1980.

**Abraham D. Beame**  
**Chairman**

# Acknowledgements

**T**his volume was prepared by the governmental structure and functions section of the Commission staff under the general direction of Assistant Director David B. Walker and Project Manager David R. Beam. The following staff members were responsible for individual chapters: *Chapter I*—David B. Walker; *Chapter II*—Cynthia Cates Colella; *Chapter III*—David R. Beam; *Appendix*—Bruce D. McDowell with the invaluable assistance of Kathleen M. Behringer. Kenneth Ainsworth, Stephanie Becker, Will Meyers, Michael Mitchell, Mavis Mann Reeves, Albert J. Richter, and Jane F. Roberts, also of the ACIR staff, provided helpful counsel on one or more chapters. Timothy Conlan, who was responsible for all or part of several other volumes in the study, provided valuable advice on this, the final, volume. The secretarial services of Kathleen M. Behringer, Evelyn M. Hahn, Lynn C. Schwalje, and Martha A. Talley were indispensable.

The Commission gratefully acknowledges the valuable ideas, review, and comment that others

offered on one or more of the draft chapters. Specifically, the Commission wishes to thank Thomas J. Anton, John Bosley, Michael A. Colella, William G. Colman, James Doyle, Robert D. Ebel, Daniel J. Elazar, Morris P. Fiorina, Erwin Hargrove, Lawrence Hush, Judson L. James, Marvin H. Kusters, Everett Carl Ladd, John Lordon, James L. Martin, Arthur Naftalin, Richard P. Nathan, Marian Lief Palley, Neal R. Peirce, Gerald M. Pomper, Austin Ranney, Michael D. Reagan, William S. Rhyne, Randall B. Ripley, John Shirey, Deil Wright, and Joseph F. Zimmerman.

The report would not have been possible without the cooperation and assistance of the above persons. Full responsibility for content and accuracy rests, of course, with the Commission and its staff.

**Wayne F. Anderson**  
Executive Director

**David B. Walker**  
Assistant Director

# Contents

<b>Chapter 1. American Federalism 1960-80: Contrasts and Continuities</b> .....	1
Federalism in 1960 .....	1
Federalism in 1980 .....	3
Certain Continuities .....	6
The Resulting Paradoxes .....	6
<b>Chapter 2. The Dynamics of Growth in Federal Functions: An Analysis of the Case Study Findings</b> .....	9
Who Makes Government Grow: The Policy Actors .....	10
Government Growth and the "Inside" Player .....	10
The Congressional Policy Role .....	10
The Interest Group Policy Role .....	14
The Presidential Policy Role .....	16
The Bureaucratic Policy Role .....	19
The Judicial Policy Role .....	21
Government Growth and the "External" Actor .....	22
The Role of Public Opinion and Elections .....	23
The Role of Political Parties .....	25
The Role of the Press .....	26
What Makes Government Grow: The Policy Environment .....	27
Government Growth and Environmental Dislocations .....	27
Government Growth and Environmental Trends .....	29
Conclusions: A Reassessment of Critical Whos and Whats .....	30
<b>Chapter 3. The Federal Role: Criteria, Assessment, and Analysis</b> .....	33
Contemporary Federalism and the Illusion of Centralization .....	33
Five Standards of Assessment .....	34
National Purpose .....	35
Four Additional Criteria .....	36
Limitations .....	36



The National Purpose .....	38
Theory .....	38
Assessment .....	39
Case Study Findings .....	40
National Defense .....	41
Unemployment .....	42
The Elimination of Poverty .....	44
Protection of the Environment .....	46
Conclusion .....	47
Equity .....	47
Theory .....	47
Assessment .....	48
Allocation of Funds .....	48
Allocation Techniques .....	50
Income Redistribution .....	50
Externalities .....	52
Case Study Findings .....	54
State Flexibility .....	54
Dispersion of Funds .....	56
The Services Strategy .....	57
Conclusion .....	60
Economic Efficiency and Administrative Effectiveness .....	61
Theory .....	61
Assessment .....	62
Case Study Findings .....	67
Implementation Issues .....	67
Increasing Regulation .....	72
Fragmentation and Consolidation .....	74
Conclusion .....	77
Political Accountability .....	78
Theory .....	78
Conflicting Traditions .....	78
The Role of Grants .....	80
Assessment .....	81
Case Study Findings .....	84
Policy Initiation .....	85
Policy Institutionalization .....	88
Conclusion .....	93
Summary and Conclusion .....	93
<b>Chapter 4. The Federal Role in the Federal System: Analysis of Basic Findings, Key Questions Raised, and Recommendations .....</b>	<b>101</b>
Findings .....	101
The Signs .....	101
Some Underlying Causes .....	102
The Crucial “No Change” Area .....	104

Where Stands the System? .....	106
Summary Commission Findings .....	107
Recommendations. ....	108
Future Scenarios .....	108
The ACIR Strategy .....	109
<b>Recommendation 1. Decongesting the Federal Grant System . . . .</b>	<b>111</b>
<b>Recommendation 2. Avoiding Unintended Impacts on State and Local Governments. ....</b>	<b>129</b>
<i>Recommendation 2(A): Fiscal Notes</i> .....	130
<i>Recommendation 2(B): Temporary Suspension of Crosscutting Policies</i> .....	130
<i>Recommendation 2(C): Regulatory Impact Analyses</i> .....	130
<b>Recommendation 3. Strengthening Political Federalism through the Party System .....</b>	<b>137</b>
<b>Recommendation 4. Protecting the Autonomy of State and Local Governments in National Policymaking .....</b>	<b>144</b>
<b>Recommendation 5. Strengthening the Concept of Constitutional Federalism .....</b>	<b>148</b>
<b>Recommendation 6. Ending the Ambiguities in the Constitutional Amendment Process .....</b>	<b>151</b>

## Tables

1.	The Structure of Social Welfare Benefits for the Pretransfer Poor, 1974 . . . . .	51
2.	Major Actors and Forces in Policy Development and Growth. . . . .	105
3.	Governmental Expenditures from General Funds, Selected Functions, by Level of Government, 1977 . . . . .	121
4.	Federal Aid Share of State and Local Expenditures for 11 Major Functions . . . . .	122
5.	Funding of Federal Aid Programs Involved in Rough Tradeoff Proposals . . . . .	124
6.	Number of Federal Aid Programs Involved in Rough Tradeoff Proposals . . . . .	124
7.	Federal Aid Program Clusters Ranked by Amount of Funding, FY 1980 . . . . .	125
8.	Federal Aid Program Clusters Ranked by Average Funding Per Program . . . . .	127
9.	Federal Aid Program Clusters Ranked by Fragmentation Index, FY 1980 . . . . .	128
10.	Annual Cost of Federal Regulations, by Area, 1976. . . . .	135
A-1.	473 Federal Grant Programs, Estimated Obligations, Ranked in Descending Order of Dollar Magnitude, FY 1980. . . . .	158
A-2.	473 Federal Grant Programs, Estimated Obligations, Clustered in 29 Groups, FY 1980 . . . . .	172

## Figures

1.	Four Functional Assignment Criteria . . . . .	37
2.	Selected Federal Programs Dealing with Traditionally Local Problems . . . . .	41
3.	Estimated Geographic Scope of Benefits for Selected Government Services . . . . .	53

## Charts

1.	Administrative Levels Used in Providing Assistance to Program Beneficiaries . . . . .	65
2.	Strategy for Decongesting the Federal Grant System. . . . .	120



# American Federalism 1960–80: Contrasts And Continuities

Over the past 20 years the federal role has become *bigger, broader, and deeper*—bigger within the federal system, both in the size of its intergovernmental outlays and in the number of grant programs, broader in its program and policy concerns, and the wide range of subnational governments interacting directly with Washington; and deeper in its regulatory thrusts and preemption proclivities. This is the broad summary conclusion that emerges from this 11-volume study and it points to a growing centralization of policymaking. Yet, perhaps surprisingly, this conclusion does *not* produce a companion generalization that the system's *delivery of services* is substantially more centralized than it was a generation ago. What *is* certain is that the current labyrinth of countless intergovernmental relationships—with their multiple vertical, diagonal, curving, and haphazardly horizontal connections—is less functional than that of 1960.

The contrasts, then, between the “systems” of 1960 and of 1980 are stark. However, the continuities between them, along with perplexing paradoxes in both, leave us with an open debate as to whether we still have a noncentralized system, but with a general consensus that it does not function well.

## FEDERALISM IN 1960

What then were intergovernmental relations like two decades ago? In a sentence, they were com-

paratively few, narrow, and in many respects not very deep. To be more specific . . .

- Approximately 132 assistance programs, all categorical, were operational, but only four accounted for three-quarters of the total grant outlays (highways, aid to the aged, aid to dependent children, and employment security—and in that order of dollar significance).
- A heavily federal-state relational pattern predominated, with all but 8% of the total \$7.2 billion in federal grants going to state governments.
- In addition to the administrative simplicity suggested above, the dominant programs were old in an administrative sense, with highways dating back to 1916, employment security to 1933, and the two welfare programs to 1935.
- The goals associated with most of the grant programs were shared and relatively noncontroversial and a professional network of functional cadres up and down the line helped to maintain the concept of cooperation.
- The categorical grant mechanism had become a consensus device, accepted by many Democrats and Republicans.
- Federal promotional efforts (subsidies, tax credits, loans, loan guarantees, and the like) as well as regulatory efforts (which frequently resembled promotional) were far more extensive, but this legacy of the New Deal and of the post-war period was directed at the private, not the public, sector for the most part (though some grants—notably highways—were as much a matter of the private sector as of public benefit).
- Finally, all the polls of the period indicated a high degree of optimism about the system, its political party foundations, and its future.

The system in 1960 clearly was a good example of “cooperative federalism” in action and it is no accident that the theorists of this interpretation were beginning then to come into their own. After all, the theory they were advancing provided a pretty good description of the intergovernmental

relations of the period. Programmatically, there was a sharing of some functions. Administratively, the officials involved at the different levels were not adversaries; they were more like allies. Politically, the decentralization that existed did result from “independent centers of power” and operated “through the chaos of American political processes and political institutions.”<sup>1</sup> In these ways, intergovernmental practice conformed to cooperative federalism’s principles.

At the same time, there was not, as the theory’s exponents proclaimed, a collaboration in “virtually all functions.” Few, if any, traditional municipal functions and only about half of the states’ responsibilities were touched in any way by federal grant or other programs. Nor was a division of functions among the levels impossible, as they maintained, since the legislative process of the day reflected a capacity to differentiate between most local and several state functions and what politically was deemed to be of national concern.

Despite the talk of complexity and conditions, it was a collaborative network based on the shared goals of a relatively few, well established programs (supplemented by the 1956 *Highway Act’s* major addition to that function’s intergovernmental relations in transportation). The 1960 “system” cost relatively little in federal grant funds and involved relatively simple and unobtrusive administrative relationships. The “marble cake” metaphor was an apt one—two differently colored ingredients (federal and state), a few major swirls (the four major grant programs), and relatively inexpensive preparation. Phrased differently, the system in 1960 operated in a limited, but successful *cooperative* federal fashion, largely because the legacy of *dual* federalism—with its intergovernmental separation of functions, finances, and personnel—still was an operational fact in so many program areas.

This paradox existed because political and fiscal constraints still served to restrict the role of the federal government even though the Supreme Court had given it a green light for expansion since 1937. A related paradox was that though the role of the national government had enlarged greatly during the previous three decades—internationally, intergovernmentally, and as regulator of the economy—no clear or broadly accepted concept of the powers or the proper role of the federal government had emerged—thanks to the pragmatism, promotionalism, and implicit conservatism of the

New Deal. While, on the one hand, power was asserted and assumed, on the other, it was rejected, reassigned, or relinquished. Hence, the popularity of the cooperative federalism concept that left questions relating to federal authority and roles as pragmatic concerns to be settled incrementally in the political arena. The third equally unrecognized paradox in the system of 1960 was the relative satisfaction of an overwhelming majority of the populace with the system, its leaders, its political processes, its past, and its future in the face of the denial of basic civil and voting rights to millions of minority citizens.

## FEDERALISM IN 1980

The American federal system of 1980 and the myriad intergovernmental relations subsumed under it stand in stark contrast to the far simpler, more sharply bound, and more manageable one of 1960. The most significant single factor explaining this difference has been a dramatic expansion in the policymaking role of the federal government in domestic affairs—a policymaking expansion unaccompanied by any real expansion in its operational activities. The many dimensions of this proliferation in national policymaking and the national government's reliance on state and local governments for implementation purposes, are highlighted by some comparisons:

- Then, its 130-odd intergovernmental fiscal transfer programs amounted to only a little over \$7 billion which represented less than 2% of the gross national product GNP and less than 15% of total state-local expenditures; today the 500-odd assistance programs amount to \$88 billion and account for 3.4% of the GNP and 23.2% of overall state-local outlays. Put differently, in per capita and constant dollar terms, the 1980 figure of \$159 was more than 3½ times its 1960 counterpart.
- Two decades ago the states were the prime recipients of all but a miniscule proportion of federal financial assistance; today approximately 25% of it flows directly to local governments, bypassing the states.
- Then, almost all federal aid went to 50 recipients (the states); at the present time aid is distributed directly to at least 80% of the 80,000 subnational governments (some special districts and a few school districts being the chief exceptions) with the larger jurisdictions participating in several programs.
- Twenty years ago the states were the principal, if not almost the sole, providers of fiscal assistance to America's localities; today the federal government has a strong secondary role in this respect, providing directly 21.6% of the intergovernmental funds local governments receive and significant additional amounts indirectly as states "pass through" about a quarter of the federal money they receive.
- In 1960 there were only two grant programs in the over \$1 billion class; today there are 15.
- Then, the small and narrowly specialized programs numbered about 100; today they are at the 450 mark.
- Then, income maintenance and social welfare programs accounted for 50% of the total aid amount; today they represent 63% of the 1980 figure.
- Then, the conditions attached to grants-in-aid were program specific with administrative and personnel requirements applied to some; today all of these older vertical type conditions remain, save in General Revenue Sharing and a few block grants, and they have augmented by at least half a hundred conditions that apply to nearly all federal grants.
- In 1960 the regulatory role of the federal government focused almost wholly on big business, labor, agriculture, communications, transportation, banking, securities, and a few areas of health and safety; it now includes diverse environmental, health and safety, consumer protection, and social equality areas as well.
- Then, federal regulation was direct and largely private sector oriented; today it is not only more expansively direct, but also indirect using grant conditions as means of furthering national social, environmental, egalitarian, and other goals.
- Twenty years ago only a handful of court

decisions existed that touched on Congress' conditional spending power; today there are dozens, though the earlier, expansive judicial interpretation still is adhered to, despite the far more coercive character of many of the recently enacted grant conditions.

- Finally, in 1960 Congress' regulation of interstate commerce focused chiefly on the means of production and on preventing the rise of serious impediments to our common market; today it extends beyond these concerns to a range of social, environmental, and other noneconomic concerns.

Such have been some of the major signs of the growth in policymaking at the national level and in relying on the states and their localities to implement "national" programs. Each of these changes, moreover, is reflected in microcosm in one or more of the seven functional fields probed in the Commission's case studies. Thus, for example:

- In 1960, welfare had not yet "exploded." Total federal *public assistance* grants to the states were just over \$2 billion compared to 1980 Aid to Families with Dependent Children (AFDC) and Supplementary Security Income (SSI) estimates of over \$13 billion. Moreover, in 1959, the first *food stamp* law since the days of the Great Depression passed Congress. However, throughout 1960, the Eisenhower Administration failed to implement the law, and food stamps drifted into programmatic oblivion. From that oblivion, the food stamp program has grown to be the largest single U.S. Department of Agriculture (USDA) budget item. And, far from a program on which no money was spent, on May 15, 1980, Congress set a \$9.5 billion spending ceiling for FY 1980 food stamps spending.
- The federal role in *unemployment policy*, circa 1960, was limited to the financial encouragement of a highly decentralized system of state unemployment insurance programs, coupled to the cautious application of Keynesian macro-economic policy. Beginning with the passage of the *Area Redevelopment Act* in 1961, however, Washington has created a vast and tangled array of

economic development, public service jobs, and employment training aid programs. These programs now offer assistance to essentially every region and community of the nation and a host of impacted groups (youth, minorities, the elderly, women, veterans, the economically disadvantaged, and the handicapped), with total federal outlays amounting to some \$25 billion in FY 1980.

- While, in 1980, the federal government's fiscal role in *elementary and secondary education* remains small relative to state and local expenditures (around 8% of total public expenditures), over the past 15 years it has employed a variety of conditions and inducements to magnify the impact of its modest dollars. Thus, since the mid-1960s, most federal elementary and secondary education programs have stressed national purposes or objectives in programs designed to aid the economically, physically, and educationally disadvantaged; provided auxiliary educational and social services; sought to promote new educational skills; and stimulated educational innovation. In addition, these federal grant programs are conditioned by laws and regulations designed to eliminate racial and sexual discrimination and to promote student rights and the rights of the handicapped. Finally, the federal courts have had a profound and growing influence on a variety of state and local educational practices, particularly in cases of court ordered desegregation.
- Although the federal government has been involved in *higher education* almost since the founding of the Republic, that involvement took a quantum leap during the two decades under discussion. Total federal funding for a variety of higher education purposes grew from \$1.7 billion in 1960 to around \$12 billion in the late 1970s. Of even greater importance, however, the depth of federal involvement grew tremendously during these 20 years. Hence, the federal government now increasingly affects higher education through nonfiscal instruments, particularly through a variety of regulatory conditions ranging from



health and safety to affirmative action to education record keeping.

- In 1960, federal *environmental protection* was known as air and water “pollution control”; that “control,” according to Congressional reports, was “primarily the responsibility of state and local governments . . .”; and the limited amount of federal “controlling” was accomplished through a relatively few grants-in-aid, research, and development programs, and a pollution enforcement mechanism which applied to interstate waters only. Today, federal “environmental protection” rules governing federal, state, local, and private activities and products encompass not only the air we breathe and the water we drink, but the solid and hazardous wastes we produce, the land we use, the noises we make, coastal areas which surround us, and the creatures with whom we share this environment. From the comparatively paltry amounts expended in 1960, the Council on Environmental Quality estimates that federal regulations governing environmental quality and pollution abatement now generate over \$46.7 billion in public and private expenditures.
- In 1960, the entire federal intergovernmental role in *fire protection* activities consisted of small-scale cooperative agreements between the U.S. Forest Service and state agencies. Today, although spending for intergovernmental fire-related activities remains a miniscule portion of the federal budget, the federal role in fire protection stands as a perfect paradigm of marbleization. Hence, all federal executive departments (except State and Defense) as well as at least 11 other federal agencies now are involved in fire-related activities that affect state and local governments. Moreover, in addition to General Revenue Sharing, sometimes used to support fire service delivery, 52 grant-in-aid programs handled by 24 separate administrative units are available to subnational jurisdictions. Eight agencies make loans of money or equipment that can be used to improve fire protection. And, five collect data related to fire incidence, injuries, and losses,

and many provide some kind of technical assistance and information, available to those who request it.

- Federal aid to *libraries* in 1960 consisted of approximately \$6 million in annual appropriations aimed at promoting library services in rural areas. Today, such aid involves appropriations of about \$250 million and is spread to every portion of the nation and every type of jurisdiction, including nearly all public libraries, and, through federal education laws, to elementary and secondary school, college, and university libraries.

While the seeds for some of this growth were sown in the 1930s, it is difficult, if not impossible, to view the past two decades as merely an inevitable, logical extension of the New Deal. The extraordinary expansion reflected in the current federal role—along with its sharp points of contrast with that of 1960 (which, of course, were a kind of historical summation of the New Deal and its aftermath)—set this era apart from the previous one.

Unique shifts in the system itself also occurred—shifts that helped pave the way for this escalation in federal policy undertakings. The erosion of certain heretofore effective political and fiscal constraints on federal expansionism (probed in *Volume II*<sup>2</sup> and analyzed in *Chapter II* of this volume) occurred during the past 20 years. The subtle, yet very real, relationship between this development and the federal courts’ growing assertiveness also was a product of these years. Moreover, the contrast between the Supreme Court’s almost wholly passive adherence to the New Deal Court’s interpretation of the commerce and conditional spending powers of Congress—an interpretation that amounted to leaving it to the political process to decide—and in its highly assertive stance vis-a-vis rights protected by the Fourteenth Amendment became most apparent during these two decades. The contrast, of course, was more a matter of differing modes of argumentation in differing areas of constitutional law, than of differing systemic effects of the Court’s decisions in these three areas. Their combined impact on the system, after all, was to expand national powers. Finally, the recent efforts to balance the budget and other current signs of fiscal prudence suggest how unusual the earlier fiscal behavior of national decisionmakers

was. The past 20 years, then, were distinctive ones, with unique behavioral and specific policy developments occurring for which there were few parallels in the earlier chapters of the lengthy annals of American intergovernmental relations.

## CERTAIN CONTINUITIES

The many paradoxes present in the contemporary system, however, stem from the similarities as well as from the differences between the present system and that of 1960, though the interaction between the two is also a causal factor. But how can there be many similarities when stark contrasts appear to dominate?

Conceptually, at least, the rhetoric of cooperative federalism continued through the past two decades and is as loud today as it was in 1959. Despite the real differences in principles and in practice between Nixon's New Federalism, on the one hand, and LBJ's Creative Federalism, Congress' implicit intergovernmental approach, and Carter's New Partnership, on the other, all talked (or talk) of sharing. All invited collaboration, and all call(ed) for activist government(s). In short, all employed the language of cooperative federalism. Whether the purpose and practice of any of these recent or current approaches actually conform to the tenets of cooperative federalism is at least debatable, though not in the view of Daniel J. Elazar, its foremost contemporary interpreter. For him, all of them violate the essential features of the collaborative theory.<sup>3</sup> Yet the rhetoric of cooperative federalism continues unabated, even in the courts. This is probably because in the present context it serves as an excellent way of avoiding any clear-cut delineation of the proper federal role, of avoiding responsibility, and of superficially rationalizing the status quo.

Current administrative attitudes and approaches also bear a close resemblance to those of 1960. Despite the extraordinary acceleration in federal policy activism, the size of its civil bureaucracy is nearly the same as two decades ago. Totally traditional attitudes clearly have dominated the thinking of national policymakers regarding the presumed dangers of a big federal bureaucracy. Additionally, pretty much the same prescriptions regarding how to run that bureaucracy prevail now as in 1960, with a reliance on a strong executive

management arm in the Presidency, on circulars, on budgetary tools, and on reorganization.

The final main link with 1960 is the continued federal preference for the conditional grant as the chief means of achieving intergovernmental fiscal transfers and of interacting programmatically with subnational governments. Despite the much heralded advent of a tripartite aid system in the 1970s, including General Revenue Sharing as well as block and categorical grants, federal conditions are as much a part of national policymakers' thinking today as they were a generation ago, when categorical grants monopolized the aid system. Witness the overwhelming ascendancy of categorical grants both in number (492) and in dollar proportions (well over 80%) in the aid system and the kinds of conditions now attached to all block grants and to General Revenue Sharing. Not to be overlooked in all this is the fact that the massive expansion in federal conditional aid has been the basic means by which national policymakers have been able to keep the federal bureaucracy comparatively small, while still assuming it was running the programs.

## THE RESULTING PARADOXES

Conceptually, administratively, and procedurally, there are clear links to 1960 which, along with the novel "unleashing" developments noted earlier, combine to confront us with some perplexing paradoxes in current intergovernmental relations:

- The federal policy role obviously has mushroomed massively, even as the size of the federal civil service has remained static.
- Most national domestic goals are achieved intergovernmentally, while many local program objectives also are now achieved intergovernmentally.
- Redistributive political rhetoric has dominated many of the efforts to expand the federal role, but the resulting programs as many times as not have had a distributive, not a redistributive, effect.
- A pattern of direct federal aid to a host of separate substate governments has evolved, even as the interdependence between the 50 states and their respective

localities has become ever more pronounced.

- While the dominant ethic of the federal grant system is still largely the cooperative one, in practice it is cooptive, not cooperative, or even antagonistic, federalism that increasingly prevails.
- While the representational efforts of state and local associations of elected officials have become ever more aggressive, their voices have been diluted among those of the thousands of special interests now populating the nation's capitol, with the result that national policymakers have become less sensitive to the jurisdictional and institutional status of the subnational governments than they were two decades ago.
- The federal bureaucracy has been singled out by the populace, the press, and the politicians as the major villain in the emergence of a dysfunctional system, even as that same bureaucracy has been subjected to more directives, more curbs, and more constraints by Presidents, Congress, and the courts than ever before.
- For some time now on the campaign circuit, nearly all candidates for election or reelection to national office have run on one or another variety of an anti-Washington theme, while in the renewal process for most grant programs the overwhelming majority from both parties has voted "aye".
- Within the parties, reforms directed at rendering them more representative and presumably more accountable have won out; but in the proliferating pressure group area, elitist domination appears to be as strong as ever.
- While the federal judiciary has served prominently as a "reformer" of state and local governments, in a range of cases relating both to the conditional spending power of Congress and to what is protected under the Fourteenth Amendment, it has reflected little trust in the revitalized political processes that it helped to institute.

In different ways, these ten paradoxes above—and more could be cited—underscore the perplexing political, administrative, programmatic, and judicial bases for the overextended role that the national government now occupies in the federal system. They also suggest some of the effects—in terms of management, equity, and accountability—that can result from a tendency to intergovernmentalize nearly everything. More on this will be covered in *Chapter III*. But above all, they clearly indicate that the task of restoring the system to its earlier cooperative and functioning condition will not be an easy one. *Chapter IV* addresses this vital assignment.

To sum up, it is not the paradoxes as such, but the highly problematic nature as well as the combined effects of the contemporary ten paradoxes that concern us. The linking of contrasting goals and values, after all, always has been present in the American political tradition. Liberty and equality, individualism and collectivism, majority rule and minority rights, national unity and diversity—these pairs of potentially, if not actually, antithetical values in our 200-year old system clearly reveal a perennial American propensity simultaneously to seek out and to sustain opposites. Moreover, the apparent intellectual inconsistencies implicit in this behavior have never bothered us very much. The prime reason for this, of course, is that—with one notable and bloody exception during the 1860s—the system with all its ambivalences worked. And federalism with its rough but real division of labor was a major part of this success story. But signs of dysfunctionality, not functionality, now are everywhere, as the foregoing probe of the paradoxes illustrates.

The Commission is not so much worried then about the inconsistencies, intricacies, or ambivalences identified in this study, *The Federal Role in the Federal System*. It is concerned about how they have combined to produce an interpretation and application of the constitutional principle of federalism wherein the adaptive, absorbing-of-ambivalences, and workable features of the inherited system are in danger. Dysfunctionality has been substituted for functionality, and rigidities for flexibility. Almost reluctantly, these primary systemic issues have become the Commission's concerns. The recent record, as the following two chapters clearly summarize, suggests that it could adopt no other approach—in good conscience or in candor.

## FOOTNOTES

<sup>1</sup>Martin Grodzins, "The American Federal System," *A Nation of States*, ed. Robert A. Goldwin, Chicago, IL, Rand McNally and Company, 1964, p. 22.

<sup>2</sup>Advisory Commission on Intergovernmental Relations,

*The Condition of American Federalism: Conflicting Theories and Collapsing Constraints (A-78)*, Washington, DC, U.S. Government Printing Office, forthcoming.

<sup>3</sup>See Professor Elazar's statement in Advisory Commission on Intergovernmental Relations, *Hearings on the Federal Role in the Federal System (A-87)*, Washington, DC, U.S. Government Printing Office, 1980.

# The Dynamics Of Growth In Federal Functions: An Analysis Of The Case Study Findings

**N***o one planned* the growth of the federal government, and that, perhaps, as much as any other statement, explains why it grew in the way that it did. It was *not planned* in the sense that probably no woman or man has ever been elected on a plank which promised “more Washington” and few, if any, American political discussions conclude with a clarion call for “bigger government.” Moreover, *no one* was responsible for this “nonplanning” process—in the short-run of history, neither credit nor blame for the shape and scope of the federal government can be attributed to a single individual or group. The many, not the few, have given rise to big government. Hence, in the way of unplanned and unmonitored behemoths, the national government has rambled as much as it has grown; it has drifted even more than it has expanded.

In the past several years, the size, continued growth, and apparent incomprehensibility of government have come under increasing criticism. Indeed, growing numbers of people contend that government has become a monster of excessively pervasive and inordinately complex proportions. In this view, the recent proliferation of regulations and programs along with the continuing intergovernmentalization of implementation have created a largely uncontrolled and unaccountable system—a kind of “big brother run amok.”

In this report, the Commission has studied the almost continual addition to and expansion of the federal government’s now myriad functional

roles—roles which have become not only “bigger” from the standpoint of expenditures, but “broader” in their operational inclusiveness, and “deeper” in their intergovernmental intrusiveness. The bulk of the Commission’s research focused on a series of case studies examining public assistance (both categorical cash programs and food stamps), unemployment, higher education, elementary and secondary education, environmental protection, libraries, and fire protection. While these functional areas comprise only a fraction (albeit a substantial two-fifths) of the federal government’s grant outlays, they nonetheless provide insight into a wide and representative range of governmental endeavors—from the massive to the relatively minute. Each of these case studies was designed to illustrate the overall dynamics of the policy process and thus to determine which of a variety of political, economic, and social forces “caused” the existing dimensions of the national government.

Two broad types of policy producing and policy shaping variables—policy actors and environmental influences—were examined in the case studies. For our purposes, the policy actors included both traditional institutional entities and external or noninstitutional entities. Hence, Congress, the President, the bureaucracy, the courts, the press, public opinion, elections, political parties, and that vast and rapidly swelling army of the “actively concerned,” known collectively as interest groups, were all scrutinized for their effect on and contribution to the growth of the federal government. Socio-demographic trends and dislocations, such as war and economic aberrations, constituted the environmental influences or forces. If, as some claim, government has gone awry, if the “enumerated powers” of 1789 have become the immeasurable activities of 1980, if the sublime idea has become, to public and officeholder alike, a subliminal nightmare, all these actors and forces are—to a greater or lesser extent—responsible.

### **WHO MAKES GOVERNMENT GROW: THE POLICY ACTORS**

The realm of policymaking as revealed in the Commission’s case studies is distinguished by its complexities and circularities. Explanations of government growth which place almost total re-

sponsibility with a self-aggrandizing bureaucracy or a headline-grabbing presidency or an insidious network of special interests confuse far more than they enlighten. Thus, while this study does not claim to have formulated a model with prophetic capabilities, it does present a description of the policy process and an explanation for the growth of government which, of necessity, is far more complex than much of the existing literature would suggest.<sup>1</sup> In the policy arena, after all, there is no one determinative factor—only the constant responses of a variety of political actors to each other and to the forces which define their environment.

### **Government Growth and the “Inside” Player**

Amid even this complex interplay, certain actors are distinguished by “larger-than-life” roles. By virtue of proximity alone, the so-called “Washington insider” at least, would be expected to have a leading edge in the expansion of the federal government. In this case, “Washington insiders” or “inside players” include traditional institutional actors—Congress, the President, the bureaucracy, and the Court—as well as interest groups. Indeed, we found that some, but not all, of these “insiders” were among the major forces responsible for government growth. And, if one actor, inside or outside, has been the most consistently responsible, that actor is Congress.

### **THE CONGRESSIONAL POLICY ROLE**

Inasmuch as ours is a growing government “of laws and not of men,” the statutory expansion of the national government obviously hinges upon the institutional Congress. In the realm of gross statistical possibilities, today’s floor vote has a 50-50 chance of becoming tomorrow’s public law. Yet, floor votes arguably are of secondary importance to a complex, sometimes enigmatic, policy process. Rather, it is another side of Congress—the individual as opposed to the institutional—which, among all the actors and forces contributing to government growth, has loomed largest in the sphere of policy initiation. It is the individual member of Congress, being manifested in the role of policy entrepreneur, who has had the most profound and constant influence upon the growth of government.

## **Policy Entrepreneurship: Government by the Person**

The policy or public entrepreneur, not unlike her or his counterpart in the private sector, assumes responsibility for a venture—in this case a particular project, program, or policy. In assuming such responsibility, the entrepreneur becomes the venture's chief advocate and activist. He or she organizes support for the venture, manages the venture through the legislative maze, and assumes the political risks of being associated with the venture should it fail. The motives of these entrepreneurs or issues activists, the size and scope of their undertakings, and the eventual impact of their promotional efforts may differ dramatically. Yet, one fact is clear. In each of the cases which the Commission studied, public entrepreneurship of one sort or another—Congressional, Presidential, bureaucratic, special interest—was the predominant factor in policy genesis and maturation. Moreover, in every case, only Congress played a consistently crucial role and in all but one of these program areas, the Congressional role was manifest most often not in the form of Congress as an institution but rather in the form of Congress as an individual—in other words, through Congressional entrepreneurship.

Because entrepreneurship is a human activity, variations on the theme are nearly as numerous as the individuals involved. The Congressional entrepreneur may be a powerful committee or subcommittee chairperson with ready access to strategic support or she or he may be a struggling freshman with little immediate backing beyond an inexperienced staff and a far-away constituency. Moreover, entrepreneurs may choose to pursue single programs, broad regulations, or entire policy areas. In addition, entrepreneurship may be a solo undertaking, a joint venture, or a struggle among incipient supporters each competing for a portion of the glory attached to a successful and popular policy or program. And, while the Congressional entrepreneur is generally the political horse leading a cart full of interests, occasionally the cart may nudge the horse into a trot, if not a full gallop. Finally, in pursuing programs, policy entrepreneurs may be reacting to grave national crises or problems with innovative national solutions; to the serious problems of local constituents which also coincidentally happen to be genuine national problems requiring national mitigation; or, as is in-

creasingly the case in the absence of constraints, to narrow, parochial concerns—to actions for action's sake.

## **Congressional Entrepreneurship: Policy Initiation from Grants to Regulations**

A longstanding and central unwritten rule of Congress asserts that it is better to be really well-informed in a very few areas than to feign knowledge in many. The road to legislative power is paved with jacks-of-all-trades. So too, there are many times when program persistence—a sort of Congressional combination of loyalty, fortitude, and “pestiness”—pays off in terms of statutory realization. Among the case studies, the clearest example of such persistence was found in the food stamp program and its champion, Rep. Leonor K. Sullivan (D-MO).

Indeed, for Sullivan, the food stamp program was a sort of legislative *raison d'être*. Waging an almost quixotic battle against the steadfastly opposed Eisenhower Administration, Republican members of Congress, hostile committee chairmen, and rural and southern reticence, Sullivan, an Agriculture Committee outsider, waited ten years for the opportunity to logroll her bill into law. Thereafter, the Missouri Congresswoman continued to fight and bargain for favorable provisions and against unfriendly amendments.

The impetus for Sullivan's uphill entrepreneurship was pervasive malnourishment among her own constituents, residents of a poor district in St. Louis. In a similar vein, the stimulus for Sen. Paul Douglas' (D-IL) sponsorship of the *Area Redevelopment Act* (ARA)—the granddaddy of structural unemployment and manpower programs—was the “hard-core” unemployment found in southern Illinois in the 1950s. In fact, Douglas' six-year pursuit of ARA bore a number of striking similarities to Sullivan's food stamp quest.

First, his plan was opposed by Eisenhower and a majority of Congressional Republicans. Second, he initially encountered southern and rural enmity. Third, realization of his proposal awaited the election of a Democratic administration. And, finally, the path to legislative fruition was strewn with timely compromises and propitious coalition building.

Yet a different characterization of the “persistent sponsor” was provided by Sen. Warren Magnuson (D-WA) and his role in the creation and pas-

sage of the *Fire Prevention and Control Act of 1974*. Magnuson, a member of the Senate since 1944, possessed neither the “underdog” qualities of Douglas, or especially Sullivan, nor Sullivan’s near single goal orientation. Nevertheless, Magnuson did translate an interest in consumerism into an intense fire protection advocacy and became the powerful driving force behind a federal role in fire prevention and control.

As will be illustrated in the following chapter, totally innovative policies that depart radically from extant political strategies are seldom made. A new employment program by any other name—for example, the *Manpower Development and Training Act*—is still part of the existing federal employment policy. So too, the actors in the policy arena—those who mold first generation policies into second generation programs and third generation projects—remain fairly constant. And, undoubtedly, the most constant actor is the Congressional entrepreneur.

Hence, the history of the *Morrill Land Grant College Act* is a vivid example of persistent entrepreneurship—in the mid-1800s! In 1856, Sen. Justin Morrill (R-VT) introduced legislation to establish at least one national agricultural school. Encountering strong opposition from southern Democrats, the Vermont Republican modified his legislation the following year to provide land grants to the states on behalf of agricultural and mechanical education. This time opposition issued from the White House, and Morrill chose to delay further action until 1861. Finally, in 1862 Morrill’s endurance—aided rather substantially by the noticeable physical absence of any southern Congressional opposition—paid off. The bill passed both houses by large margins. Thus, while Congressional entrepreneurship has vastly accelerated in recent years, it is nonetheless a historically durable component of the policy process.

Obviously, responding to one’s constituency in the forms of needed social programs or pork-barrel projects is its own reward and that type of entrepreneurship is probably most common. However, Congressional entrepreneurs by no means confine themselves to legislative tangibles. Regulation, steeped as it often is in lofty goals, symbolic rhetoric, and instant national press attention, may also present itself as a golden entrepreneurial opportunity. Such regulatory entrepreneurship has been extremely prevalent in federal education policy.

One of the clearest examples of Congressional issue activism in the regulatory arena appeared in the case of Title IX of the *Education Amendments of 1972*, which seeks the elimination of sexual discrimination practices in educational admissions, facilities, and practices. Authored and championed by Rep. Edith Green (D-OR), Title IX resulted from the Oregon Congresswoman’s discovery of the existence of sexual bias in many, if not most, institutions of learning. Enlisting the support of women’s groups and sympathetic female Congressional staffers, Green was successful in her endeavor despite the fact that the bill lacked any interest or support from the educational community.

While it is not surprising that a female member of Congress would sponsor an antidiscrimination amendment, one of the most controversial education regulations had a very unusual sponsor indeed, Sen. James Buckley (Conservative-NY). An outstanding case of pure Congressional entrepreneurship, the *Family Educational Rights and Privacy Act of 1974* (FERPA) was adopted in spite of the fact that it “had not been the subject of Congressional hearings,” and “professional educators were not involved in drafting the original legislation nor even aware of its existence.”<sup>2</sup>

While Congressional entrepreneurs generally take the lead in policy initiation, they also occasionally function as supporting actors. Such was the case with federal aid to libraries, the impetus for which was the determined and skillful lobbying of the American Library Association (ALA). Yet, if the ALA was the initiator of the policy process, Congress was the critical sustainer. Rarely taking the lead, a few members of Congress did respond to the incessant prodding of the library lobby. Their rejoinder came in the form of some very clear, albeit secondary, Congressional entrepreneurship.

Since library aid was not a subject that commanded the attention of many legislators, the formation and shaping of policy was left largely to the relevant committees and subcommittees, and particularly their chairpersons. Notable in this regard were Sen. Lister Hill (D-AL), Chairman of the Senate Labor and Public Welfare Committee, who sponsored every bill during the ten-year effort to pass the *Library Services Act*, and Rep. Edith Green, who chaired the House Special Subcommittee on Education.

Needless to say, on those occasions when Congress is goaded into a secondary entrepreneurial



role, interest groups are not always the motivating force. Presidents have been known to fan the flames of Congressional activity, as have a few key bureaucrats, intense public opinion, and conspicuous disruptions in the economic and political environments. Each of these factors, and others, however, will be discussed in subsequent sections.

### **Policy Escalation and Multientrepreneurship**

In the private marketplace, entrepreneurship is generally thought of as a highly competitive process—as a rule, for every McDonald's there is a Burger King. In Congress, entrepreneurial competition manifests itself less often as a "battle between the cheeseburgers" than as a rivalry among any number of incipient laws, entirely different in subject matter, each vying for a place on the crowded legislative agenda. One person's SALT II amendment may well eclipse another's welfare reform bill. Nonetheless, genuine competition over similar or identical issues does occur even on Capitol Hill. The most striking example of this sort of policy contention was found in the area of environmental protection.

Actually, the first stage of environmental policymaking, lasting until approximately 1969, was dominated by just a few entrepreneurs within Congress, most notably then Sen. Edmund Muskie (D-ME). Thus, Muskie, Chairman of the Senate Subcommittee on Air and Water Pollution, was almost totally responsible for the development and passage of the air pollution acts of 1965 and 1967, as well as for the water pollution acts of 1965 and 1966. In the nature of a policy entrepreneur, he massaged and shaped each succeeding piece of legislation, slowly enhancing his own role while making incremental changes in the policy over which he held sway.

Unlike the first stage, however, the second stage of the environmental policymaking process, beginning in 1969, involved more than a few Congressional entrepreneurs and supportive interests. As public interest in the environment intensified and expanded, the number of actors directly involved in the process also expanded. In addition, policymakers began reacting not only to their own perceptions of public demands but to the proposals of other policymakers as well. Hence, environmental policy came to be made in what was essentially an atmosphere of one-upmanship.

Inevitably, Sen. Muskie was once again the

pivotal figure. In order to retain his position as chief environmental policymaker, he was forced to react to each new actor who entered the process. Having watched his proposed "National Air Quality Standards Act" (a series of incremental adjustments to the *Air Quality Act of 1967*) eclipsed by Sen. Henry Jackson's (D-WA) *National Environmental Policy Act*, sweeping Presidential environmental policy statements, broad proposals by a number of members of the House of Representatives, the media-successful Earth Day demonstration sponsored by Sen. Gaylord Nelson (D-WI), and an extremely critical Ralph Nader report, Muskie was literally forced to come up with something "bigger and better" or relinquish his leadership role. His choice was reflected in the *Clean Air Act of 1970*—a radical departure from, rather than incremental addition to, prior environmental legislation.

★ ★ ★

Less visible than Presidents, less subject to criticisms of conspiracy than special interests, to derision than bureaucrats, or to claims of imperialistic behavior than judges, the Congressional entrepreneur has achieved an entirely undeserved anonymity. Yet, the near universal existence of such policy activists in the case studies (the above litany describing only a few of the more notable examples) belies the notion that Congress acts as a great rubber stamp for Presidential, bureaucratic, or interest group initiatives. In fact, in most instances, the opposite would be far closer to the truth.

### **Program Growth and the Institutional Congress: The Special Case of Welfare**

Among the cases which the Commission studied, only one lacked any apparent Congressional entrepreneurship but even in this case, Congress loomed large as the principal policy actor—not in an individual sense but rather in an institutional sense.

Categorical cash public assistance—Aid to Families with Dependent Children (AFDC) and Supplementary Security Income (SSI)—obviously does not easily lend itself to the entrepreneurial drive. It would be an odd elected official indeed who wished to proclaim to the world that, "I made welfare grow." Yet, two major factors have been responsible for the tremendous long-term growth of cash public assistance: an open-ended appropria-

tion based upon federal matching for state spending and the institutional Congress.

Though incremental and lacking innovation, the Congressional welfare role—characterized by benefit increases, formula adjustments, and a sometimes near fatalistic response to state spending patterns—has been positive in terms of government growth. However, Congressional control of public assistance is notable not for individual entrepreneurial support nor even for firm group advocacy but, rather, for its ambivalence. Congress “captured” welfare policy—its initiation as part of the *Social Security Act* was a clear case of Presidential entrepreneurship—and has retained its mastery of public assistance because aid to the elderly was a popular program. In the process, it inherited a small program of aid to dependent children—a program which, along with old-age assistance, was supposed to all but wither away—and therein lay the seeds of Congressional ambivalence. It is an ambivalence which allows the collective Congress to deplore the rise of the “welfare state” while enacting upward formula adjustments as a means of providing fiscal relief to the states; to decry the “welfare explosion” while resisting Presidential pleas for decreased spending; and to speak often of “welfare reform” but to resist real reform. Hence, whatever its liabilities or assets, the prime conditioner of the federal role in public assistance is the institutional Congress.



In the creation of policy and the programmatic growth of government, the Congressional role—particularly in its entrepreneurial manifestation—has been paramount. Yet, as aesthetically and intellectually compelling as the simple one-variable answer is, it fails to offer more than a partial explanation. Congress may be chief among those who make government grow, but it has been well (often profoundly) supplemented by other policy actors.

### THE INTEREST GROUP POLICY ROLE

In simpler times, the term interest group conjured up a four-fold sectorial image: big business, organized labor, a somewhat amorphous farm movement, and the American Medical Association. Each—save the last—had its own cabinet-level department, each could count on a number of strong

Congressional defenders and detractors, and two represented the major bases of support for the political parties with which they were identified. Times, however,—as times are wont to do—have changed. If, not so many years ago, the truism asserted that “for every broad sector there is an interest group,” today it states that “for every possible interest there is a group.”

The image of interest groups also has changed. Now, seldom referred to as interest groups, they are called, instead, special interests. And, once an accepted, albeit not always highly regarded, part of a so-called pluralist nation, special interests are now accused of giving rise to nearly all that is wrong with government, the economy, and a “balkanized” society. Because special interests are ill-defined, because they are endowed with a kind of collective invisibility, and because they are “always somebody else,” their role in the policy process has come to be viewed somewhat conspiratorially. Hence, last year’s hostility toward the “middleman” has become this year’s antagonism toward the “special interest.”

Indeed, there is no doubt that special interests have blossomed—or, perhaps, more accurately, exploded—into a major political force. A recent edition of the *Congressional Record* exhibited an astonishing 100-page listing of registered Washington lobbying organizations, including lobbyists for major businesses, organized labor, and farm groups, but also for (among others) nonprofit citizen and environmental groups, professional associations, research institutes, Indian tribes, ethnic fraternities, sports leagues, foreign governments, and American municipalities.<sup>3</sup>

Yet, for all their notoriety and numbers, interest groups have tended to play a secondary—albeit a profoundly significant secondary—role in the policy process. Hence, the importance of such groups very often lies not in their greatly exaggerated abilities to create or to advocate successfully brand new policies, but rather in the ability of policies to generate new interest groups. And, once established, a group will inevitably work to sustain the policy that gave it life. If policy is primarily “created” by Congress, to interest groups—the “offspring” of policy—accrues its “care and feeding.”

### The Resultant Interest and Second Generation Policy Growth

In the policy process, a common scenario might

observe the creation of a program through Congressional entrepreneurship. In turn, this program or policy might, itself, be said to give birth to a policy niche—in other words, to form its own small space among the vast array of government endeavors. Because a space by any definition invites occupancy, interested groups (usually program beneficiaries) will generally rush to fill it. And, once firmly established in the niche, these “resultant groups” will quite rationally act to perpetuate, enlarge, and add on to the policies that give them a clear advantage.

Since the heightening of federal environmental activity in the late 1960s and enactment of the *National Environmental Policy Act* (NEPA) in 1969, the number of public interest groups concerned with environmental issues has grown dramatically. Thus, older conservation groups such as the Sierra Club were joined in the battle for antipollution regulations and enforcement by groups such as the Natural Resources Defense Council, founded in 1970 in response to NEPA. In turn, such groups have been instrumental in lobbying for ever more stringent laws and in initiating environmental litigation.

Though traditionally a fairly powerless government clientele, welfare recipients acquired the status of an interest group in the mid-1960s through associations such as the National Welfare Rights Organization (NWRO). Gaining special interest stature nearly 30 years after the inception of the federal cash public assistance program, NWRO and similar groups were themselves the inspirational and organizational offshoots of local War on Poverty activities, and thus indirectly of governmental policy. Relatively short-lived as a potent political force, welfare rights groups nonetheless, acted frequently in a programmatically expansionary capacity, informing poor nonrecipients of available services and current recipients of maximum rights and benefits under the law. Moreover, in a few cases, the activities of such groups actually led to local benefit increases.<sup>4</sup> Finally, and perhaps even more important, these resultant welfare interests often played the classic “veto group” role. This was most evidently the case in NWRO’s “Zap FAP” campaign, an ultimately successful effort aimed at thwarting enactment of the Nixon Family Assistance Plan.

Still another example of the resultant interest was found in higher education policymaking. The “federal” orientation among higher education in-

stitutions and associations largely originated in answer to the new federal programs of the Great Society, gaining additional impetus as the financial problems of higher education became increasingly serious during the late 1960s. Hence, far from being responsible for most major programs, the higher education lobby developed, to a considerable extent, in response to them.

### **Opening the Flood Gates: Interest Groups and the “Spiral Effect”**

Closely related to the concept of the “resultant interest” is the notion of a “spiral effect” in public policymaking. First described in 1962 by political economists James M. Buchanan and Gordon Tullock, the “spiral effect” is said to occur when

. . . other functional or interest groups, observing the success of the first, will now find it profitable to invest resources (funds) in political organization. The pressure group, as such, will rapidly become a part of the political decision-making process. Moreover, because of the activities of such groups, the range and extent of collective action will tend to be increased. As more and more groups come to recognize the advantages to be secured by special political dispensation, this organizational process will continue. The ultimate “equilibrium” will be reached only when all groups have become fully organized.<sup>5</sup>

Over time, federal area development aid has produced just such a spiral effect. Hence, the original area development law, the ARA, was regarded as “sectional” legislation. Despite its own early demise, the ARA did succeed in creating a demand for infusion of development funds into increasingly more jurisdictions. As a result, by 1979, ARA’s successor, the Economic Development Administration (EDA), encompassed fully 84.5% of the nation’s population in its 2230 designated areas.

This substantial accumulation of program constituency was accomplished through a series of liberalizing amendments which, in a little over a decade, reduced the minimum size of redevelopment areas from 250,000 to 25,000; redefined the status of recipient jurisdictions from “economically distressed communities” to “urban and rural areas . . . where long-term economic deterioration

has occurred or is taking place;" and added programs for economic recovery aid in disaster areas, adjustment assistance for areas experiencing structural economic dislocations, and emergency assistance to areas with unusually high unemployment rates. EDA, thus, has probably assured its survival by responding to nearly every conceivable group claim.

### **The Interest as Instigator**

All of the foregoing, of course, is not to suggest that interest groups never act in a policy initiation capacity. Nor, is it always clear just who the actual policy initiator is—the “chicken and egg” analogy is often appropriate to the policymaking process. The so-called “issue network” of committee chairs and staffs, affected interests, and bureau and agency administrators at times obscures legislative authorship.<sup>6</sup> Hence, in what has been called the Congressional phase of elementary and secondary education policy, lasting from 1870 to around 1960, “The actions Congress would be likely to take . . . were closely tied to what [a variety of] groups would accept or reject in any proposed bill.”<sup>7</sup>

By far, the most vivid instance of interest group initiative (or special interest policy entrepreneurship) found in the case studies was that of federal aid to libraries and the force behind that aid, the American Library Association (ALA). While not a special interest powerhouse, the ALA excelled at a kind of classic coalition building. Naturally, some of those included in the alliance for library aid were the specialized library organizations such as the Association of Research Libraries and the Medical Library Association. Moreover, not unexpectedly, the education lobby was an invaluable source of active endorsement and the publishing industry lent at least tacit support. But, ALA’s real strength and the key to its victories was in enlisting group support from organizations whose manifest connection with libraries was tenuous to say the least. Thus, the *Library Services Act*—which aided rural libraries—was supported by farm organizations, and the 1977 renewal of the *Library Services and Construction Act*—which authorized funding for urban libraries—was supported by urban groups.

In the years to come, when thoughtful historians reflect upon the last two decades, they will undoubtedly note the rise of special interests as one of the most significant variables in governmental

and societal development. Surely these interests have had a profound impact upon the shape of policy and the institutional responses of government. Yet, the opposite causal pattern—the effect of policy and institutions upon the strength and proliferation of special interests—may prove to be even more notable, for while in the inception and development of some programs there has been a clear interest group role, in the birth and maturation of most newer special interests there has been a prior governmental policy or program.

### **THE PRESIDENTIAL POLICY ROLE**

If the case studies revealed a surprising amount of Congressional activism, they also showed a surprising lack of protracted Presidential importance in the ongoing policy process associated with each of the functional areas. Part of this “element of surprise” stems from the President’s automatic policy role (after all, somebody’s got to sign all those bills), from his immense visibility (a Congressional entrepreneur may toil for years in order to achieve programmatic success with little or no attention from the press, while a single Presidential policy statement will quite often be embossed in front page headlines), and from the high expectations which surround and, at times, overwhelm the modern Presidency. The President’s “star” status, then, may lead to a distortion of his role, attributing to him more interest in or knowledge of a particular issue than he actually possesses.

Needless to say, all of this is not meant to imply that the President contributes little or nothing to the policy process or governmental growth. Quite the opposite is true. In fact, at times, and often over the “biggest” issues, no single actor has loomed larger.

### **The President as Grand Policy Entrepreneur**

Perhaps the most obvious and certainly the most dramatic case of Presidential entrepreneurship occurred in the mid-1930s with the inception, legislative management, and passage, in 1935, of the *Social Security Act*. Truly an omnibus bill, the act created the current system of nationwide old age insurance, unemployment insurance, three programs of categorical cash public assistance, and several programs of social and health services.

In practice, the *Social Security Act* was the product of the Committee on Economic Security. Yet,

the committee was Presidentially chosen and while the members and staff were charged with studying and making recommendations on all aspects of economic security, their primary concerns reflected those of President Roosevelt. Thus, the lion's share of time and effort was spent on the problems of unemployment and old-age insurance. Despite his overwhelming preoccupation with these facets of economic security, Roosevelt wisely insisted on presenting Congress with an omnibus bill, encompassing insurance, public assistance, and social services. Furthermore, despite a number of legislative roadblocks and a certain amount of Congressional "tunnel vision" on the question of old-age assistance, he would accept nothing less from Congress than passage of every portion of his bill. The success of Roosevelt's "all or nothing" entrepreneurial strategy is evident still in the existing Social Security, unemployment insurance, and cash public assistance system.

The other outstanding case study example of the grand policy entrepreneur was found in the person of Lyndon Johnson and his sponsorship of the War on Poverty effort. Like Roosevelt three decades before him, Johnson transmitted to a task force a set of specific policy themes—in this instance, "poverty" rather than "economic security." And, like Roosevelt, Johnson excelled at legislative management. In fact, political scientist James L. Sundquist has asserted that Johnson's sponsorship of the *Economic Opportunity Act of 1964* was "the most extreme case of legislative initiative by the President almost to the exclusion of Congress . . ."<sup>8</sup> With the proper confluence of personal (the Roosevelt and Johnson personalities), political (legislative savvy), emotional (intense policy interest), and environmental (receptive public, press, and political climate) elements—and no doubt, the benevolent intercession of the fates—the Presidency may be a most powerful entrepreneurial tool. Such a fortuitous confluence, however, fails to occur more often than not.

### **The President as Dispassionate Promoter**

There is a sense in which the Presidency may act as an agent of governmental growth not merely because of itself, but in spite of itself. The visibility, the expectations, and the centrality of the office may act to overwhelm its occupant, or, at the very least, attribute to him more interest in or knowledge of a given problem than actually is the case.

Hence, the success of policies has often turned upon very few Presidential words. As half a loaf is sometimes better than no loaf at all, a half-hearted or dispassionate Presidential endorsement at times is better than the whole-hearted enthusiasm of many.

A notable example of this sort of Presidential promotion is provided in the area of fire protection. Early in 1967, President Johnson delivered his Consumer Protection Message to the Congress, calling on the legislators to "improve our shameful record of losses of life and property through fires," and recommending the *Fire Safety Act of 1967*. The appearance of this endorsement in the Presidential message, enmeshed as it was in a myriad of recommendations, did not attract much public attention, but the fact that the President had spoken did encourage and give impetus and credibility to those working for federal assistance. Furthermore, it assured consideration of fire legislation by the Congress.

Obviously, in 1967 the concept of federal aid for fire protection was not foremost among the many grave problems facing the President. Nor was it probably even among the secondary issues to be attacked on a sunnier day. Yet, whether through the Assistant Secretary of Commerce for Science and Technology or through the possible intercession of Vice President Humphrey, fire protection found its way into the Presidential message and, eventually, fire protection aid found its way into the array of federal programmatic endeavors.

Though the recipient of somewhat more Presidential attention than fire protection, federal aid to libraries also was endorsed as a lesser part and parcel of a broader policy preoccupation. Hence, in President Kennedy's 1963 special education message to Congress, he declared that educational opportunity was dependent, among other things, upon "general community educational resources [such] as the public library." This endorsement, along with the placement of aid to libraries amid the other titles of an omnibus education bill, led circuitously to the passage in 1964 of the *Library Services and Construction Act*.

Dispassionate Presidential endorsements are not limited only to the relative minutia among potential programs. Indeed, something as large as the *Employment Act of 1946*, the single most important step in the governmental "institutionalization" of Keynesian economic theories, may warrant little more than passing Presidential interest.

Thus, although Presidential leadership had been an important ingredient in the passage of much of the New Deal social and economic legislation, this was not the case with the *Employment Act*. In fact, even the lukewarm support initially proffered by Roosevelt was probably due more to Republican opponent Thomas E. Dewey's endorsement of full employment than to any real Presidential commitment. Moreover, despite the fact that President Truman tried to play a more forceful role, his promotional effort merely succeeded in securing the bill's place on the legislative agenda. Thereafter, the formation, extent, and passage of the act proceeded according to Congressional design.

### The President as Restrainer

If Presidents tend to be enamored of costly, large-scale projects such as Social Security and the War on Poverty, there is a conflicting Presidential role which places them squarely in the forefront of budgetary restraint. The President, guiding and guided by the Office of Management and Budget (OMB), is the country's chief budgeteer and, whether or not a viable long-run goal, promising to balance the nation's budget has long been part of the standard candidate lexicon. In addition, Presidents attempt to play another sort of restraining role: that of restrainer of organizational and programmatic bloat. Thus, along with "low costs," the rhetoric of the Presidency includes "efficiency" and "no waste." In both these incrementalist restraining roles—budgetary and institutional—Presidents generally have been less than successful.

Over time, the most lucid example of the impotence of Presidential restraint or reform efforts is provided in the welfare area. Of course, the federal public assistance role was Presidentially initiated between 1933 and 1935. But, since that time, Presidents have attempted in three distinct, reformist ways to regain a welfare role. In all three ways, they have been unsuccessful.

First, beginning with the Truman Administration, Presidents have attempted to curb welfare spending by asking Congress to hold the line on the federal share of benefits.<sup>9</sup> Congress, in turn, generally has responded to such Presidential requests by increasing benefits, or the federal share in benefits, or both.

Second, Presidents Kennedy and Johnson sought to get a handle on welfare by circumventing

the Congressional public assistance system. Heeding the clarion call of social welfare workers, they sought to "eliminate" the welfare clientele through social rehabilitative services. The programs were largely unsuccessful; the number of clientele grew.

Finally, Presidents Nixon and Carter sought to reform welfare through federalization, guaranteed uniform incomes, and program consolidation. Thus far, the bulk of cash public assistance (AFDC) has proven resistant to all but the most incremental measures passing for reform.

In aid to both elementary and secondary and higher education, Presidents have tried with notable lack of success to control seemingly inevitable program growth and financial expansion. Hence, as early as 1966, President Johnson proposed a 50% cut in the popular impact aid portion of the *Elementary and Secondary Education Act*. Far from "winning the battle," Johnson's effort at "saving" resulted in a continuation of full federal funding for the program, overall Senate education authorizations amounting to almost \$1 billion above his request, and a \$700 million increase in the final legislation. Moreover, this trend continued under Nixon, when, in 1969, the Administration's proposed \$450 million reduction in the education budget was met in Congress with a \$1 billion increase.

A similar pattern emerged in higher education under President Nixon. In 1971, the Administration submitted to Congress a proposal which required that aid to students be more strictly targeted on the basis of need, and limited total aid even to these students to \$1,400 per year. In addition, more emphasis was to be placed on loans than grants, and higher education categoricals were to be consolidated into a "National Foundation for Higher Education."

Needless to say, the proposals were roundly criticized in Congress from all sides—for their limited budget, heavy reliance on loans, and inattention to the needs of hardpressed schools and middleclass students. As a result, the bill received little support from either side of the aisle in Congress and represented another resounding education defeat for the Nixon Presidency.

Not so many years ago, little was expected of the national government. Of course, our expectations have changed considerably. Much has come to be expected of government. But, if much is expected of government in general, more than much is ex-

pected of its most visible officer, the President. He is expected at once to be the purveyor of new panacean policies and of a tight, no-growth budget; to innovate while holding the nation firmly to its traditions; and to provide programmatic latitude while keeping tight reins on the bureaucracy. At times—in fact, at many times—these contradictory and semicelestial expectations have not been realized in practice.

Hence, while in certain large expansionary efforts Presidents have had notable successes, they have exhibited an equally notable propensity for failure in their companion restraint role. Moreover, any number of assumed Presidential “successes” have occurred in areas in which the President’s interest was transitory at best; in which he played effective lip service to a “winning” program or policy. The Presidential role, then, has been ambivalent, at times enigmatic, and in its triple functional designations of grand entrepreneur, half-hearted endorser, and largely impotent restrainer, perhaps overly ambitious.

## THE BUREAUCRATIC POLICY ROLE

Even more than the President, the federal bureaucracy was found in the case studies to have had a far less substantial role in the growth of government than much of the literature would suggest.<sup>10</sup> As always, however, the standard caveat applies: A less substantial role than expected should not imply no role at all. Obviously, just as Congress always automatically plays a role through passage, and Presidents through their signatory responsibilities, so some segment of the bureaucracy must always be charged with carrying out the law. Thereafter, the latitude afforded to the bureaucrats in question is often dependent upon the type of law and, even more important, the degree of specificity or latitude in the legislative language.

Moreover, within the realm of already established broad policy areas, bureaucrats may seek to become advocates for additional (or second generation) programs. Such activity, classified as jurisdictional expansion or empire-building, has traditionally been the subject of much public administration literature—often to the point where the reader might assume that most bureaucrats are engaged most of the time in a byzantine atmosphere of power accumulation. Yet, while the case studies did include a few examples which might be classi-

fied as bureaucratic jurisdictional expansion, this type appeared neither frequently nor clearly enough to attribute to any one or several bureaucrats or a bureaucracy a conscious effort at power aggregation.

## The Bureaucracy and Regulatory Law

Often, increasingly, and particularly in the realm of regulatory law, the Congressional tendency has been to write and pass broad, symbolic legislation devoid of much substantive content. It falls then to an administrative agency to define the scope and intent of the law. Such broad delegation of power has been called, by political scientist Theodore J. Lowi, “policy without law,” a Congressional tendency that “has wrapped public policies in shrouds of illegitimacy and ineffectiveness.”<sup>11</sup> And, it is within the realm of such regulatory delegation that the potential for a bureaucratic effect upon the government growth has been the greatest.

One of the broadest regulatory delegations found in the case studies occurred with the enactment of the *National Environmental Policy Act* (NEPA) of 1969. The Council on Environmental Quality (CEQ) was instructed to develop policies in accordance with the purposes of NEPA and was charged with evaluating other federal programs in order to determine if their activities were contributing to “the purposes of [the] act:”

To declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the nation; and to establish a Council on Environmental Quality.<sup>12</sup>

Needless to say, the “purposes” of the act were so sweeping, philosophical, and symbolic as to force the CEQ into the role of legislative interpreter prior to developing policies or enforcement mechanisms. Under such circumstances, the council conceivably could have amassed a tremendous amount of power and jurisdictional latitude. Yet, the fact that it ultimately chose for itself a relatively limited role—leaving the more substantive environmental tasks to the Environmental Protection

Agency (EPA), created one year later through Presidential reorganization—indicates that the potential for bureaucratic power under broad regulatory grants often remains exactly that.

A different characterization of the bureaucracy and its potential under more or less symbolic Congressional regulatory enactments is provided in the area of higher education and, particularly, Title IX of the *Education Amendments of 1972*, prohibiting sex discrimination in educational institutions. As was clearly the case three years earlier with NEPA, the winning Congressional vote was based almost entirely on vague and lofty principles, rather than on any understanding of legal implications. As a result, “Congress made no attempt to provide a clear and complete definition of what constituted sex discrimination in education,”<sup>13</sup> and an ill-experienced and virtually unguided Office of Civil Rights (OCR) was compelled to draft the regulations, a process that took an arduous three years of labor.

In July 1975, the final regulations of Title IX took effect. They were far-reaching and prompted vociferous controversy. Yet, considering their long and difficult development, the regulations cannot be said to have evolved without ample opportunity for oversight. Both the President and Congress could have intervened to reject or alter the regulations since the law required unusual Presidential and Congressional clearance procedures prior to implementation. All of this potential oversight, however, resulted only in very limited revisions. Hence, in this case, far from searching after a power role, the bureaucracy had a substantial amount of power thrust upon it. In much, if not most, of regulatory delegation, the facts indicate much less a mad and calculated bureaucratic scramble for unbridled autonomy than a modern variation on Tammany Hall boss and pundit, George Washington Plunkitt’s guide to political survival: “I seen my opportunities [and I passed up most of ’em].”

### **The Bureaucracy and Functional Resistance**

As previously noted, the case studies found few (if any) true instances of bureaucratic empire building. In fact, the instances of bureaucratic resistance to the accumulation of new and additional responsibilities were much clearer and more notable.

Thus, although the possibility of some form of

federal air pollution enforcement procedure had been discussed throughout much of the 1950s, the actual realization of even the most benign enforcement procedures was successfully resisted until 1963. Significantly, the bulk of this resistance came from the Public Health Service (PHS), the very agency which would have gained jurisdictionally from the new procedures.

In 1975, in the welfare field, yet another example of bureaucratic resistance managed to thwart change. Hence, not at all willing to administer a new negative income tax, or Income Supplement Plan (ISP) as the proposal was dubbed under the Ford Administration, then HEW Secretary Caspar Weinberger sought to have the potential new welfare system run by the Internal Revenue Service (IRS). An indication of Treasury’s “willingness” to allow agency expansion was duly noted by officials of the department in their claim that there would be “nothing but trouble for the department and the IRS if the revenue collection agency were to be assigned the job of running ISP.”<sup>14</sup>

### **The Bureaucracy and Program Initiation**

In the realm of program initiation, the bureaucratic role may be described as sporadic and largely secondary. That is, in the cases studied, bureaucratic policy entrepreneurs were relatively infrequent actors and generally entered the initiation process in a supportive role at the behest of some other actor, usually the President. Certainly this occurred in the previously mentioned instances of Presidential grand policy entrepreneurship, the *Social Security Act* and the War on Poverty effort. In both cases, the President ordered the bureaucracy to create far-reaching legislation based upon specific Presidential guidelines. Although in each case the bureaucratic role or effect was profound, it was primarily an extension of Presidential entrepreneurship. In like manner, the Department of Health, Education, and Welfare’s (HEW) role in the War on Poverty and the Department of Agriculture’s (USDA) importance in pushing for food stamp legislation reflected the priorities of Presidents Johnson and Kennedy, respectively.

In fact, in only one program which the Commission studied—the rural community fire program—did a segment of the bureaucracy manifestly act as a primary policy entrepreneur. Hence, “empire building” on the part of the U.S. Forest Service



may have been a factor in agency efforts to broaden its activities and some feel that the service engaged in a "power grab." Equally plausible is the theory that the service recognized a need and moved to fill it. Whatever the case, the Forest Service clearly acted as the initiator, chief promoter, and prime mover behind the federal role in rural fire protection.

In a broad sense, it would appear that the federal bureaucracy is doing precisely what it legally and theoretically should be doing and little more. Responding to Congressional and Presidential mandates, the power of the bureaucracy and its effect upon government growth are almost entirely dependent upon the latitude provided by legislators and the chief executive. Moreover, the single case study instance of pure bureaucratic entrepreneurship may represent less a statement of bureaucratic behavior per se, than the exception that proves the larger rule: In government growth, policy entrepreneurship has been the most significant factor—in such a large field, there is occasionally room for everyone.

## THE JUDICIAL POLICY ROLE

Determining the political impact of the "non-political" branch of government has proven to be no mean feat for any number of astute analysts. The judiciary does not, in a technical or visible sense, create or pass laws; it has no tangible means of execution or implementation; and though the activity is not unheard of among "actively concerned" jurists, lobbying by judges is, at most, considered somewhat unethical and, at least, is seldom noted in legislative histories. Yet, even the most casual observer may intuit a not unsubstantial judicial role in the expansion of the federal government, for in its narrowest, most specific sense, the judiciary interprets statutory law, while in its broadest sense, according to a former Chief Justice of the Supreme Court, "We are under a Constitution, but the Constitution is what the judges say it is . . . ."<sup>15</sup>

### Creating the Climate for Expansion: The Judiciary as Political "Green Light"

The Court may, of course, rule on the legitimacy of narrow statutory language or on the degree to which implementation matches Congressional intent. In each way it contributes to the shape and

functional scope of government. But, in a much larger sense—one often underlying rather than specifically stated in the case studies—the Court may send signals to the other branches and levels of government, interested groups, and the citizenry at large of just what is or what is not legally and even morally and politically acceptable.

Hence, since the so-called Roosevelt-Court battle in 1937, Congress has been relatively unconstrained in its interpretation of what is "necessary and proper," of what constitutes legitimate spending for the "general welfare," and of what activities—intra as well as interstate—are justifiable national concerns under the interstate commerce clause.<sup>16</sup> Moreover, since the early 1920s,<sup>17</sup> the Court has consistently given its okay to the accomplishment of national purposes through conditional grants-in-aid. All of these judicial "green lights" offered to Congress the legal mechanisms for expanding the federal functional role.

Yet, in spite of the fact that the national government possessed the legal authority and means for expansion, the prevailing political climate or mood prevented the widespread or all-purpose use of them. And, despite the cost and importance of the New Deal programs, the quantity and types of functions that the national government was willing to delve into remained relatively small until the 1960s, when a number of factors began to erode the existing political constraints. Having been chief in offering the legal *mechanisms* for expansion just a few decades before, the Court was also chief among those setting the political *mood* for expansion.

Thus, through the mid to late 1950s and continuing and gaining momentum through the 1960s and 1970s, what has come to be known as "judicial activism" worked both directly and circuitously to enlarge the number and types of functions that were felt to be legitimate national activities under Congress' substantial spending and commerce powers and under the First and Fourteenth Amendments. Moreover, the judicial philosophy pervading one area of Constitutional concern—for example, discrimination—may have the effect of broadening and deepening federal involvement in a discrete statutory function. An excellent case study example of this lies within the realm of elementary and secondary education.

Several factors have been at work in the expansion of the Court's—and, thus, the federal government's—role in education. First, of course, has

been the process of Constitutional interpretation. The Constitution itself is generally vague, requiring the Court to give meaning to such expressions as "equal protection of the laws." New interpretations have expanded the judicial role in education in several ways. Development of the First Amendment guarantees has been part of a 20th century trend of applying the Bill of Rights to state practices, in contrast to earlier interpretations. In addition, the Court has increased its role of defending the rights of "discrete and insular minorities" which may be protected in the majoritarian democratic process.

Another engine of judicial expansion has been the institutional process of Court involvement. This can be seen in the race discrimination cases. Implementation of the *Brown*<sup>18</sup> decision appeared to be a moderate process of "all deliberate speed." Yet, such eminent observers as Archibald Cox argue that it entailed a new dimension of judicial enforcement.<sup>19</sup> Rather than simply prohibiting a certain practice, it established "affirmative duties" on the part of the defendant jurisdiction, since the latter had to institute specific reforms in order to comply with the law. A lack of compliance could produce increasingly detailed instructions on conformity, urged by the plaintiff. An unexpected degree of judicial involvement in the everyday administration of a school could, and did, thereby, evolve from the process of enforcement.

A third factor increasing educational litigation has been the effect of other governmental programs. In other words, judicial activity sets a political tone which may act to fan the flames of Congressional activity which, in turn, produces more judicial activity. Thus, federal laws such as Title IX and the *Civil Rights Act* (themselves inspired partly by judicial civil rights rulings) have required judicial interpretation. In enlarging requirements to provide bilingual education, the Supreme Court based its decision upon the *Civil Rights Act*.<sup>20</sup> In addition, several federal programs have funded lawyers engaged in educational litigation. The *Civil Rights Act* created a staff for its legal enforcement, and the *Economic Opportunity Act* and other programs have established grants for legal assistance services.

### **The Judiciary and Statutory Interpretation**

Historically, the Court has had its most profound and visible impact when ruling on broad and funda-

mental Constitutional issues. It is in such areas that a judicial decision may affect not only the substance of government and society, but create an overall mood of expansion (or retrenchment as has occurred in the past) thereby producing a circular chain of activity as described above. However, the work of the Court often departs from the sublime, moving into the more mundane aspects of statutory interpretation. And, while far less dramatic, the Court also has had an expansionary effect in this area.

Since 1970, the Court has been forced to rule increasingly on environmental matters, both in interpreting the vague intent of Congress under NEPA and in compelling action under the highly technical terms of the clean air and water acts—a task that would seem to require the training of an engineer rather than that of a lawyer. Such Court intervention into the environment has had at least two expansionary consequences.

In the first place, the court system has provided one more arena in which environmental battles can take place. This has been especially true in increasing the visibility and, consequently, the power of environmental and conservation interest groups—some of which were formed originally for the sole purpose of bringing litigation. In the second place, the federal courts have served to expand further the federal environmental role both by strictly interpreting NEPA, and thus, giving meaning to often vague portions of the legislation, and by putting their weight, as the third branch of government, behind the federal environmental effort.

The Court has been a powerful, if often circuitous, instrument of government growth. Over time, it has provided Congress with the mechanisms for pursuing growth, the climate for enacting growth, and the legal interpretations for implementing growth. Moreover, it has served as an arena for—and sometimes, itself, spawned additional—interest groups. The "nonpolitical" branch of government, then, has been a potent force in developing the political shape of the nation.

### **Government Growth and the "External" Actor**

Certain "actors"—public opinion, elections, political parties, and the press—which have an effect upon the absolute size, breadth, and depth of the federal government are endowed with traits

which distinguish them from the "inside players" reviewed above. First, they all act indirectly upon the functional scope of government. That is, they do not legislate, administer, legally sanction, or lobby for particular policies. Though intrinsically tied to government, they are government outsiders.

Second, of course, they are less visible in an individual sense, and thus, more difficult to personify than the inside player. The roles and rationales of a particular Representative, President, Cabinet Secretary, Chief Justice, or lobbyist are much easier to analyze than those of Jane Q. Public or John Doe.

Finally, each of these "external" actors, loosely construed, may be alleged to, in some way, measure or organize popular desires. This differentiating characteristic is the most significant of all, for a common and certainly enduring complaint asserts that popularly elected officials, particularly Representatives and Senators, are not responsive to the people that they claim to represent. Yet, even a brief review of the activities of the inside players, and especially Congress, would seem to indicate that they respond often, to everyone, and with the energy of one possessed. The very quantity and topical scope of legislation which has emanated from Capitol Hill, at least since the mid-1960s, suggests that *hyper*-responsiveness is the Congressional rule, *hypo*-responsiveness, the exception.

Hence, responsiveness per se is not the problem. Rather, two instrumental questions arise: To what is government responding? And, how accountable has it been following the initial response? In other words, have the "people" gotten what they wanted? The question, "to what is government responding," will be explored in the following pages. The question of accountability will be pursued in the following chapter.

## **THE ROLE OF PUBLIC OPINION AND ELECTIONS**

Public opinion is measured in a number of ways. In a representative democracy, of course, elections are the traditional orderly, as well as legal/constitutional means of expressing popular desires or opinions. Yet, *vox populi* is not always orderly, not always willing to express itself only biennially, and not always able to encourage the adoption of discrete policy positions at the ballot box. Hence, popular sentiment may be expressed through opinion

polls, through any number of citizen participation devices,<sup>21</sup> through direct contact or correspondence with elected officials, or, in its most extreme form short of revolution, through popular demonstrations.

### **The Dual Role of Demonstrations: Expansionary Force and Veto Mechanism**

Most of the case study programs were not the stuff of demonstration democracy. Federal aid to libraries could hardly be expected to evoke the same emotional response as a war, basic civil rights, or abortion. Nonetheless, public demonstrations did have a significant impact on the development of two of the policy areas studied. In one case, the demonstration technique was large-scale, broad-based, and part of a number of factors which resulted in a much larger and more aggressive federal role. In the other, the demonstrations were small, segmentally confined, and acted as an effective veto to a greater federal role.

In the previous discussion of "multientrepreneurship," it was noted that a number of factors accounted for the radical departure in the early 1970s from business-as-usual in environmental policymaking. Among the most salient was the rapid growth of an unusually intense public interest in the effects of pollution and the benefits of a clean environment. This interest manifested itself in a number of ways including public opinion polls, and, to a certain extent, elections. However, the most dramatic displays of public sentiment were found in a series of popular demonstrations and, in particular, in one occurring on April 22, 1970, Earth Day.

Though no exact figures are available, it has been estimated that participants in Earth Day activities across the nation numbered in the millions, represented a broad cross-segment of society—though by far, and very significantly, support was greatest among the nation's most politically influential segment, the white middle class—and had a tremendous impact upon federal policymakers. Such an outpouring of sentiment could hardly be ignored. In fact, elected officials all over the country joined in the activities, prompting one journalist to quip that, "So many politicians were on the stump that Congress closed down. The oratory, one of the wire services observed, was 'as thick as smog at rush hour.'"<sup>22</sup> Though organizers touted Earth Day as a spontaneous grassroots movement,

the number of official participants with prepared speeches would seem to belie their claim. And, indeed, the event was well orchestrated, representing yet another of those disturbing (from the analyst's point of view) circularities which repeatedly occur in policymaking.

Hence, in large measure, the "spontaneous grassroots" Earth Day movement offers just one more example of Congressional entrepreneurship. The idea for and planning of Earth Day came not from a gasping citizen of Los Angeles or Gary but from Sen. Gaylord Nelson (D-WI), who was joined in his efforts by Rep. Paul McCloskey (R-CA). Moreover, heavy press coverage of ecological disasters arose almost simultaneously with the first inklings of public interest in the environment, making it difficult to determine which led which. Finally, enactment of the first of the new style environmental laws, NEPA, occurred five months before Earth Day. Yet, despite these dilemmas of causality, Earth Day itself did most assuredly change the shape of policymaking. Normally, policy is formulated and then legitimated. However, according to political scientist, Charles O. Jones:

Whereas we normally think of formulation's preceding majority-building in the policy process . . . , in 1970 [in the environmental field] a majority seemingly awaited unspecified strong action. Thus, instead of a majority having to be established for a policy, a policy had to be constructed for a majority. Much of that occurred within Congress as proposals escalated toward various actors' perceptions of what was necessary to meet public demands.<sup>23</sup>

When broad-based, focused, and "loud," demonstration democracy can be a powerful instrument of government growth.

In precious few instances in recent history has any group or segment of society acted as a veto to increased federal involvement. However, as noted in the section on interest groups, the National Welfare Rights Organization (NWRO) staged an effective campaign to thwart the federalization (though it was opposed to the lower benefits and work aspects of the plan rather than federalization as such) of welfare under the Nixon Family Assistance Plan (FAP).

Part of NWRO's strategy was based on demonstration. Hence, members of the group staged sit-ins and rallies at a number of strategic points along

the bill's legislative route. Though hardly the generalized statement of broad support found in the environmental movement, NWRO's opposition tactics convinced liberal members of Congress to escalate the benefit levels of FAP to the point where no conservative (nor even the bill's author, Richard Nixon) would support it. The result was stalemate, the eventual withering away of viable support for the bill, and, ultimately, retention of the seemingly static intergovernmental system of welfare.

### **Letter Writing and the Growth of The Food Stamp Program**

If there is one political participatory instruction which the American public receives as much as, if not more than, "vote for the candidate of your choice, but *vote*," it is, "if you've got a gripe, write to your Congressman." In recent years, especially, some groups and organizations have become extremely sophisticated in inspiring mass letter writing campaigns in order to "postally" inundate Congress. How reflective this sort of letter writing is of public sentiment has never been satisfactorily gauged. Yet, because of the electoral facts of life, Congress can ill afford to ignore huge volumes of mail. In one case study, such letter volume did indeed produce an expanded federal role.

While it no doubt seems hard to believe today, the food stamp program was floundering in 1968 for lack of use. Yet, within a two-year period the program had begun its explosion. Part of the reason lay in an outpouring of public sentiment through the mails. Like the environment, public opinion regarding food stamps was intrinsically linked to press coverage. However, in this case, its manifestation was very different. Thus, following a CBS television documentary detailing widespread hunger and even starvation in the United States, the letter writing public demanded a massive government effort to alleviate nutritional poverty. As a result, Congress and the Nixon Administration took steps to liberalize food stamp benefits (on average they doubled), eligibility rules, and payment scales.

### **Vague Mandates and Amorphous Support: The Role of Public Opinion Polls in Government Growth**

In the era of Proposition 13, when the public ap-

pears to be demanding less government, it has been noted that "less government" does not necessarily mean fewer or smaller programs. Rather, "less government" seems to mean, on one level, a concrete desire for less burdensome taxes, and, on another, perhaps more profound level, a deep-seated American ideological commitment to the Jeffersonian notion of limited government, or the "negative liberal state."

Americans, thus, display—and, in fact, have increasingly displayed since the New Deal—a striking ambivalence toward the role of the modern state. That is, we tend to consent to the growth of government in a discrete programmatic sense, but disdain the growth of government in a broad philosophic sense. Remarking upon this simultaneous attraction toward and repulsion from government as early as 1964, public opinion experts Lloyd Free and Hadley Cantril concluded that most Americans could be described as "operational liberals" and "ideological conservatives." Hence, many who continue to identify with the negative liberal state in the abstract fully support governmental activism in specific instances.<sup>24</sup> Nowhere is this American paradox seen more clearly than in public opinion polls.

Not unexpectedly, among the case study examples, the most dramatic instance of public opinion poll support for strong government activism was found in the environment. Between 1969 and 1971, according to the Opinion Research Corporation, the environment jumped from being last among a series of problems with which the public was concerned to second among those problems.<sup>25</sup> Moreover, the environment, along with health, was found by the National Opinion Research Center in 1973 to be second only to crime among federal program areas in which the public felt the federal government was spending "too little."<sup>26</sup> The public appeared to be providing the government with a mandate to move full speed ahead on environmental matters and, after it had, indicating support for that effort and more.

In the areas of federal spending for education, unemployment, and even welfare, over time, public opinion polls have offered at least vague support (though very recently such support has been declining for welfare).<sup>27</sup> Thus, through polls, the public favors a federal program presence. And, though often amorphous or highly generalized, such articulation of support may be viewed as just one more "green light" for government growth.

## **Vague Mandates and Amorphous Support: The Role of Elections in Government Growth**

Throughout time, elections have been the legitimate means by which support or opposition for governmental activism has been expressed. Of course, at the most fundamental level, elections are the source of Congressional entrepreneurship—a majority (or, at least, a plurality) of his or her voting constituents put each entrepreneur into office. Yet, for our purposes, the importance of elections lies in their real or perceived outcome as mandates and their function as an *ex post facto* means of approval. In this capacity, election results may be said to have contributed to the growth of government.

Two elections have been extremely important in both regards. In 1936 and 1964, the public was perceived not only to be providing Presidents Roosevelt and Johnson and the Democratic Congresses with resounding approval of past activist policies but with "mandates" for additional activism. Moreover, three other elections have also been notably significant—two, in 1932 and 1958, as perceived "mandates" and one, in 1934, as an electoral ratification of past activity. Hence, whether or not correct, the way in which past Presidents and Congresses have perceived election results has contributed to broad (as well as narrow) activist policies and, consequently, government growth.

## **THE ROLE OF POLITICAL PARTIES**

It is, no doubt, obvious to the reader that in each case cited of public entrepreneurship by elected officials, most of the officials in question had one outstanding commonality: they were all Democrats. And, significantly, in spite of the waning influence of political parties, the Democratic Party has long and with much publicity been labeled the party of "big spenders"—yet, people continue to elect Democrats. How, then, have the political parties and the people (electorate) who sustain them contributed to government growth? A cursory tracing of partisan differences over the past half century is highly instructive.

Current conceptions of the two major political parties—often bordering on the mythological—began, of course, with the party realignment of the New Deal. Under Roosevelt's leadership, the Democratic Party advanced a broad range of innovative programs which jointly constituted an enor-

mous transformation in the functions, size, and power of the federal government. In addition, World War II, under the leadership of a Democratic President and Congress, greatly expanded the national scope of activity.

It is impossible to say just how much further this expansionary tendency would have gone if Democrats had retained Congressional leadership, for they did not and with obvious consequences. The post-war agenda outlined in President Roosevelt's Economic Bill of Rights and in President Truman's Fair Deal did poorly in Congress. Furthermore, Truman's comprehensive health insurance proposal withered and died; aid to education was roundly defeated; the *Taft-Hartley Act*, a serious setback for organized labor, passed over the President's veto; and even the historic *Employment Act of 1946* only managed to squeak through Congress as a mere shell of its former self.

Yet, despite these "no growth" GOP and "conservative coalition" successes, the Republican Party had gradually begun to reconcile itself to the New Deal. Hence, in 1940 the Republicans nominated Wendell Willkie who subsequently ran on a noticeably "New Deal-ish" platform, while in 1944 and 1948, candidate Thomas E. Dewey attempted a similar reconciliation with national programs of social reform. In fact, even President Eisenhower, a fiscal conservative, made no attempt to achieve a significant reversal of the New Deal. Rather, the Eisenhower Administration focused on a modest reappraisal of the federal government's role in domestic affairs, while actually supporting incremental growth of federal activities in selected areas. Far from proffering a governmental return to 1931, then, the Republican leadership maintained and supported a kind of New Deal status quo. In 1960, however, the "status quo" began undergoing a profound alteration.

The election of John F. Kennedy placed a liberal activist in the White House and though much of his program was blocked in Congress by an active and effective conservative coalition, his tenure paved the way for the major change in political climate which would occur in 1964. Thus, with the nomination of Sen. Barry Goldwater (R-AZ) in 1964, the Republican Party reversed a 24-year tradition of selecting only moderate candidates. It endorsed, instead, an outspokenly (some would say radically) conservative one. In contrast, the Democratic candidate, President Lyndon Johnson, urged continuation of an activist federal government, sum-

marizing his philosophy with the remark that: "We're in favor of a lot of things, and we're against mighty few."<sup>28</sup> The result appeared to be a definitive statement of electoral support for government doing "a lot of things;" opposition to its doing "mighty few." Hence, in 1964, the trait of "operational liberalism," identified by Free and Cantril, won out over more traditional values, and the remaining conservative logjam was broken in Congress.

The new political strength of the liberal activists in Congress was reflected in the Great Society's flood of legislation.<sup>29</sup> This accumulation of programs constituted a critical expansion of federal activities, both in terms of expenditures and regulations. Nor, significantly, did this trend desist with the Democratic Presidential defeat of 1968. Instead, major new regulatory programs such as environmental protection and occupational health and safety were passed (admittedly by Democratic Congresses) and signed during the Nixon-Ford years along with massive new spending initiatives such as General Revenue Sharing, a major public employment program, several countercyclical spending and work programs, and wage-price controls. And, older programs—notably, AFDC and food stamps—grew tremendously. All of this has prompted Theodore Lowi to note that:

The national state is no longer a partisan matter at all . . . . There is no longer any variation between the two parties in their willingness to turn to the positive state, to expand it and to use it with vigor, whenever society's problems seem pressing and whenever governmental action may jeopardize electoral opportunities.<sup>30</sup>

Hence, while it may indeed be true that initiatives for government growth were the legislative offspring of *Democratic* entrepreneurs, the continuation of those growth programs and the furtherance of growth itself found full support among the "loyal opposition."

## THE ROLE OF THE PRESS

It has long been a source of analytical confusion whether public opinion leads the press or the press leads public opinion. Certainly, an intrinsic relationship, if not causality, may often be discerned. And, in at least two case studies that relationship did exist.

Thus, press coverage, in the late 1960s, of ecological disasters such as the Cuyahoga River fire and the great Santa Barbara oil spill heightened public environmental consciousness. In turn, legislators were forced into a position whereby they had to proffer some gesture of concern. The result was NEPA. Likewise, the media focus on hunger, through the CBS television program, "Hunger in America," and the widely reported study entitled, *Hunger USA*, prompted an outpouring of public opinion which, for its part, led to the expansion of the food stamp program. Hence, to a certain degree, the press, too, has functioned as just one more actor contributing to the growth of the federal government.

★ ★ ★

Has the "popular will," then, through the mechanisms which organize it and through which it expresses itself, contributed to the growth of government? The answer, undoubtedly, is "yes." In both 1932 and 1964, the President and Congress *perceived* a particular type of mandate and acted accordingly. Whether or not the perception was valid, policymakers thought they were responding appropriately. Moreover, despite its designation as the party of "big spenders" and government growth, the electorate has chosen Democratic Congresses for all but four of the past 50 years and has opted for five Democrats out of the last seven elected Presidents. Taking political note of these public preferences, the Republican Party generally has at least sustained and, in recent history, even furthered the tendency toward federal governmental growth.

Public opinion, too, as a "polled" and "demonstrated" commodity, has expressed its approval of government growth—operationally, if not ideologically. Generalized dissatisfaction with government more often than not fails to evince itself in specific dissatisfaction with individual government program endeavors. And, in the most extreme and visible instance of "public opinion," the broad and vocal middle class concern over environmental deterioration, Congress, as a political body, had little choice but to respond forcefully and immensely. On still another level, exemplified by food stamps, area development, and fire protection, specific members of Congress responded to constituent needs—precisely the function which members of Congress are supposed to perform.

Thus, the problem of government growth and the "supermarbleized" way in which that growth has occurred may well lie in the perceptions of those who make policies—in their interpretations of the "signals" which the public emits. Or, more likely, it may lie in the realm of accountability—in how policymakers treat or respond to those "signals." And, if those are the "problems" of government growth, we may just as easily assert what is not the "problem" of that growth. The system may be confused and it may be unaccountable. It is most certainly not, however, under-responsive.

## WHAT MAKES GOVERNMENT GROW: THE POLICY ENVIRONMENT

Policy actors do not operate in a vacuum. Rather, they are forced, constantly, to respond not only to other actors (the repeated occurrence of which has been detailed above) but to the economic, social, international, technological, and demographic environments which surround them. Inasmuch as all these elements remain reasonably stable, policy might be expected to advance at a reasonably stable (or incremental) rate. Yet, the outside environment is not always cooperative: The Soviet Union seldom consults with U.S. policymakers as to its plans for troop movements, nor can our own financial experts agree on the state of the economy even one or two months in advance. Thus, occasionally, both large and small instabilities in the environment must be dealt with, and the political responses to certain of these environmental instabilities have been critical in determining the shape and scope of modern government. For our purposes, environmental instabilities included both unanticipated *trends* and abrupt or unexpected *dislocations*.

### Government Growth and Environmental Dislocations

The term dislocations may encompass any number of critical events, from the extremely severe to the mildly disturbing, from those which affect the society at large to those which affect only certain population segments. Those which are, at once, both extremely severe and affect the entire society

would be expected to have the greatest impact upon the “shapers” and, consequently, the shape of government. Needless to say, in the time frame of the case studies, the two most notable examples of this sort have been the Great Depression and World War II.

When the first symptom of the Great Depression, the stock market crash of 1929, occurred, the vast majority of the American public conceived of the national government as a kind of vague and removed protector of their rights to “life, liberty, and property.” Even at that, the popular expectation was not that Washington would “protect” against “internal” threats to life by a next-door neighbor or “immediate” threats to property by untimely economic reversals—if any governments were expected to perform those tasks, they were the states and localities. Rather, the general perception of the national government probably was that of protector against broad foreign threats to those rights. At the dawn of the 1930s, ideological and operational perceptions were fairly consistent.

True, the electorate rejected conservative Herbert Hoover in 1932, but, significantly, not so much because he had not enacted large-scale federal programs. Instead, his defeat occurred because of a generalized dissatisfaction with his uninspired leadership in a time of gravest crisis. Moreover, the man whom the public chose to replace Hoover sounded, during the campaign, a more conservative, less government activist note than his opponent, prompting one commentator to remark that, “Given later developments, the campaign speeches often read like a giant misprint, in which Roosevelt and Hoover speak each other’s lines.”<sup>31</sup>

Nor could it be alleged that once in office Roosevelt initially adopted a strong expansionist philosophy—in a sense, the father of New Deal liberalism could only loosely be described as a “New Deal liberal.” Rather, Roosevelt was a pragmatist, responding pragmatically and intelligently to a profound economic dislocation. Hence, the government response to the Depression was a diverse series of massive new federal programs, both spending and regulatory, aimed at assuring the present and future economic security of the individual as well as the nation. And, more important than their absolute programmatic effect upon the size of government, these New Deal programs began changing popular expectations regarding what the national government could and should do for its citizens.

The metamorphosis of “old Dr. New Deal” into “Dr. Win-the-War,” also went far in expanding the federal role. Normally, entry into a war can be expected to alter significantly the revenue producing and expenditure patterns of the central government fighting the war. After the war, the theory espouses, such patterns fail to return to their pre-war levels.<sup>32</sup> America’s role in World War II and its post-war economy bear this out, for the most important post-war economic decision was that the increased and expanded tax base generated by the war could not be substantially reduced. Instead, resources formerly devoted to defense were switched to expanded domestic purposes.<sup>33</sup> Hence, in large part, the war effort removed from the federal government many previously existing fiscal constraints.

From a discrete programmatic perspective, other less profound dislocations—perhaps more aptly termed “surprises”—have also been instrumental in contributing to an increased national presence. The case studies contain two notable examples of such “surprises.”

One of the most dramatic events of the Cold War era was the 1957 launching of the Soviet satellite, Sputnik. Thereafter, it became the common wisdom that Americans suffered from a “knowledge gap”—that educationally, we had fallen dangerously behind our arch-enemy.

In Congress and within the Eisenhower Administration, such thinking ended a long-standing religious and racial stalemate over federal aid to education. Thus, the legislation that became the *National Defense Education Act* (NDEA) was developed almost simultaneously by Sen. Lister Hill (D-AL), Rep. Carl Elliot (D-AL), and the Administration. Given the Constitutional and social bugaboos previously involved in discussions of aid to education, its passage, less than one year after “Sputnik,” was nothing short of phenomenal. And, this Cold War phenomenon gave powerful new impetus to federal aid to education.

Just a decade after the Sputnik surprise, another, more immediate and more tragic “surprise” confronted the United States. In 1967 the public and policymakers alike watched horrified as riots engulfed entire portions of major cities in the flames of frustration and shattered hopes. The impact was profound on many levels. Yet, for our purposes (and on a much smaller level) the fires resulting from the riots drew attention to the occupational hazards of fire fighting and created an envi-



ronment in Congress favorable to a federal role in local fire activities, a role which came to fruition the following year.

A final type of dislocation—the discovery of what might be termed a “segmental dislocation” within a period of general normalcy—has also contributed to the growth of the federal government. The results of one such dramatic and telling “discovery” is exemplified by the War on Poverty. Thus, Michael Harrington’s *The Other America*, and John Kenneth Galbraith’s *The Affluent Society*, detailed the existence of previously ignored poverty in a nation which, on the whole, was more prosperous than ever before. The books apparently had an enormous impact on President Kennedy, whose subsequent determination to inaugurate a poverty program amidst the unprecedented plenty of the middle class was launched by his successor.

In a similar vein, as noted previously, the disturbing discovery of relatively widespread hunger in the late 1960s—first, by a small group of Senators led by Sen. Robert F. Kennedy (D-NY) and later, by the press—was instrumental in the expansion of the food stamp program. Moreover, Sen. Douglas’ discovery of a pocket of hard-core unemployment in his state was the impetus for the *Area Redevelopment Act* and, consequently, for all succeeding structural unemployment and manpower programs.

## **Government Growth and Environmental Trends**

In a sense, economic, social, technological, ecological, and demographic trends affect nearly every policy area. From a broad historical perspective, big government is both a response to and a part of the dilemmas of an advanced, industrialized, largely private-enterprise economy. On the other hand, a shorter run or more telescopic appraisal sometimes finds little evidence of a one-to-one correspondence between such trends and governmental change. For example, environmental protection moved to the top of the political agenda around 1970, not because pollution was so much worse—the real “killer smogs”<sup>34</sup> occurred in the 1940s and 1950s—but because of the popularization of scientific evidence illustrating the adverse effects of pollution and because there was a growing perception that government could and should do something about the problem.

In a few cases, demographic and social trends have led to major programmatic growth, though, again, there appears always to be a substantial lag between changes in the trend lines and political responses to those changes. Such has been the case with public assistance, whose open-ended appropriation makes it somewhat more sensitive than other programs to social and demographic shifts. Hence, ironically, the 1935 public assistance program was designed primarily to aid the aged poor whose productive years had not been covered by old age insurance. In time, it was felt social insurance would cover almost everyone and aid to the bulk of the poor, the aged, as well as the Depression unemployed, would all but “wither away.” Aid to Dependent Children, now Aid to Families with Dependent Children (AFDC)—one of the largest federal aid programs—was designed to benefit a relatively few destitute widows and was given only the most cursory attention by President Roosevelt and the 74th Congress.

But poverty changed. Unanticipated, and for a long time unnoticed, poverty became urban and compacted, young and familial, and itself productive of successive generations of poverty, often because of AFDC rules. Furthermore, the arbitrary poverty that was typical of the depression gave way to (or was finally recognized as) selective poverty. That is, it disproportionately attacked members of those population segments—Blacks, Hispanics, and women—who were the least likely to find and retain socially insured jobs because of pervasive discrimination, a lack of education and training, and/or the provisions of AFDC which made it unwise or even illegal to pursue gainful supplementary employment. In addition, the social advances prompted by the civil rights movement fostered a sense of awareness among minorities which made them less reticent to demand assistance often, if subtly, withheld from them in the past because of race or stringent and selectively applied sexual mores.

Demography also has played a major role in education policy. The classroom crunch of the 1950s, occasioned by a veritable army of baby boom tots arriving en masse at unprepared schoolhouse doors, brought discussion of federal aid to education to the fore of the legislative agenda. Such aid was significantly, though belatedly, realized in the *Elementary and Secondary Education Act of 1965*, the rationale of which rested upon yet another demographic variable, the need for assistance to local

areas with high concentrations of disadvantaged students. Moreover, antidiscrimination regulations reflecting the growing social importance of women and minorities have greatly increased the federal role both in elementary and secondary education and in higher education.

Thus, certain dislocations and the recognition of certain trend-line instabilities create what might be called a policy ambience. Such environmental instabilities may be dramatic or subtle, have an immediate impact, or may be discerned only years after they have occurred. Yet, whatever their absolute magnitude, in many of the case study programs, the responses of policy actors to such instabilities have been critical in shaping the current contours of the federal government.

### **CONCLUSIONS: A REASSESSMENT OF CRITICAL WHOS AND WHATS**

To come full circle, *no one planned* the growth of government, but *everyone* played a part in it. Accomplishment of the absolute and relative dimensions of the federal government has been no mere spectator sport—no single variable adequately explains it. Thus, on the one hand, the Presidency has acted as a vehicle of grand policy entrepreneurship, while on the other (conflicting) hand, it has attempted, but, significantly, has been impotent in stemming the tide of growth. Special, generally resultant, interests, for their part, have acted as over-avid program enhancers, working tirelessly to enlarge and add on to beneficial policies in their second-generational phase—acting as veto groups or counter-lobbies only when program reform is suggested. Since the late 1950s, the federal judiciary has functioned as a constant green light to expansion while the bureaucracy has shaped, often out of the most enigmatic and symbolic legislative language, a far-reaching body of regulatory law.

Nor, has recent federal government growth resulted from some insidious plot on the part of Washington insiders. Through elections and opinion polls, the public has proffered its generalized tacit approval of the component parts of government growth. And, occasionally, through demonstrations and letter writing campaigns, it has demanded additional growth, usually after the intense coverage of a problem by the “fourth es-

tate.” Moreover, though the Democratic Party often initiated growth, the Republican Party has sustained it.

Finally, the environment which surrounds these actors has refused to remain stable. Hence, economic depressions, wars, baby booms, international “surprises,” segmental aberrations, and scientific achievements have all created a kind of policy ambience in which government growth could take place.

Yet, even such “mass participation” does not preclude the existence of certain actors who have been far more readily and consistently responsible than others for the shape of modern American government. Thus, if there is one “primary causal factor” in the growth of government, it has been the hyper-responsiveness to almost every conceivable stimulus—large and small; important and trivial; of national significance and of local interest—of the modern Congressional entrepreneur. So pervasive has been the influence of these Congressional policy initiators, that theirs was the outstanding and constant presence in all but one of the case study program areas.

Obviously, this is not to suggest that Congress should be abolished on the grounds that it has acted as a removed institutional entity plotting “giantism” in government. On the contrary, as the foregoing suggests, quite the opposite is true. Far from being isolated from the nation around it, as has often been alleged in the past, Congress, seemingly, has been programmatically aware of every national, state, and local nuance and minutia. And, far from being a conspiratorial entity, the trend on Capitol Hill increasingly has been toward Congress as an individual rather than toward Congress as an institution. In other words, government has grown because the individual member of Congress responds—in part, exactly what he or she is supposed to be doing.

Yet, there is a component virtue—*responsibility* going hand-in-hand with *responsiveness*—which all the “makers” of government (private as well as public) should be striving toward. Nor, perhaps, is the growth that results from responsiveness the variable upon which so much animosity should be focused. The “bigness” of government, in and of itself, may be less a problem than the almost unintelligible complexity which results from the continual “super-marbleization” of that bigness. The extreme intergovernmentalization of nearly every well intentioned public endeavor—

and not necessarily the size of the endeavor—may, in fact, be the policy variable which works to transform an overresponsive system into an

underaccountable, inequitable, inefficient, and economically unfeasible morass. These issues are examined in the following chapter.

## FOOTNOTES

<sup>1</sup>Theories of government growth are reviewed in Chapter 5, Volume II of this study. See Advisory Commission on Intergovernmental Relations, *The Condition of American Federalism: Conflicting Theories and Collapsing Constraints* (A-78), Washington, DC, U.S. Government Printing Office, forthcoming.

<sup>2</sup>From "Personal Privacy in an Information Society: The Report of the Privacy Protection Study Commission," reprinted in the U.S. House of Representatives, *Hearings before the Subcommittee on Elementary, Secondary, and Vocational Education of the Committee on Education and Labor on H.R. 15, Part 9: Family Educational Rights and Privacy Act of 1974*, 95th Cong., 1st Sess., 1977, pp. 130-31.

<sup>3</sup>*Congressional Record*, Vol. 125, No. 164, 96th Cong., 1st Sess., 1979 pp. H11024-H11124.

<sup>4</sup>Joe R. Feagin, *Subordinating the Poor: Welfare and American Beliefs*, Englewood Cliffs, NJ, Prentice-Hall, Inc., 1975, p. 81.

<sup>5</sup>James M. Buchanan and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy*, Ann Arbor, MI, The University of Michigan Press, 1965, pp. 287-88.

<sup>6</sup>For a discussion of the "issue network," see H. Brinton Milward, "Policy Entrepreneurship and Bureaucratic Demand Creation," *Why Policies Succeed or Fail*, eds. Helen M. Ingram and Dean E. Mann, Beverly Hills, CA, Sage Publications, Inc., 1980, p. 261.

<sup>7</sup>Eugene Eidenberg and Roy Morey, *An Act of Congress*, New York, NY, W.W. Norton & Co., 1969, p. 60.

<sup>8</sup>James L. Sundquist, *Politics and Policy*, Washington, DC, The Brookings Institution, 1968, p. 493.

<sup>9</sup>In fact, a certain amount of Presidential despair over rising welfare costs was noted as early as 1939 when, in response to a potential increase, President Roosevelt remarked, "Not one nickle more, not one solitary nickle. Once you get off the 50-50 matching basis, the sky's the limit, and before you know it, we'll be paying the whole bill." Quoted in Arthur J. Altmeyer, *The Formative Years of Social Security*, Madison, WI, The University of Wisconsin Press, 1966, p. 112.

<sup>10</sup>In fact, contrary to much popular belief, the federal bureaucracy itself has not been a "growth industry." Federal employment in both absolute and relative terms has been decreasing. See "Indicators of Federal Growth," Chapter 2, Volume I of this study. Advisory Commission on Intergovernmental Relations, *A Crisis of Confidence and Competence* (A-77), Washington, DC, U.S. Government Printing Office, 1980, pp. 35-105.

<sup>11</sup>Theodore J. Lowi, *The End of Liberalism*, New York, NY, W.W. Norton & Co., 1969, pp. 126-27.

<sup>12</sup>*The National Environmental Policy Act*, P.L. 91-90, 83 Stat. 852, January 1, 1970.

<sup>13</sup>Andrew Fishel and Janice Pottker, *National Politics and Sex Discrimination in Education*, Lexington, MA, Lexington Books, 1977, p. 132.

<sup>14</sup>John J. Iglehart, "HEW Wants Welfare Programs Replaced by Negative Income Tax," *National Journal Reports*, Vol. 6, No. 42, October 19, 1974, p. 1564.

<sup>15</sup>Charles Evans Hughes as Governor of New York cited in Edward S. Corwin, *The Constitution and What It Means Today*, 12th ed., Princeton, NJ, Princeton University Press, 1958, p. xv.

<sup>16</sup>The most notable exception occurred in *National League of Cities v. Usery*, 426 U.S. 833 (1976).

<sup>17</sup>*Massachusetts v. Mellon (Frothingham v. Mellon)*, 262 U.S. 447 (1923).

<sup>18</sup>*Brown v. Board of Education of Topeka, Kansas*, 347 U.S. 483 (1954)

<sup>19</sup>Archibald Cox, *The Role of the Supreme Court in American Government*, New York, NY, Oxford University Press, 1976, p. 77.

<sup>20</sup>*Lau v. Nichols*, 414 U.S. 563 (1974).

<sup>21</sup>Citizen participation devices, such as procedures for public comment at the drafting or implementation phase of legislation, did not figure heavily in any of the case study programs. However, for a thorough analysis of citizen participation, see Advisory Commission on Intergovernmental Relations (ACIR), *Citizen Participation in the American Federal System* (A-73), Washington, DC, U.S. Government Printing Office, 1980.

<sup>22</sup>*Washington Post*, April 23, 1970, p. A-20.

<sup>23</sup>Charles O. Jones, *Clean Air: The Policies and Politics of Pollution Control*, Pittsburgh, PA, The University of Pittsburgh Press, 1975, p. 176.

<sup>24</sup>Lloyd Free and Hadley Cantril, *The Political Beliefs of Americans*, New York, NY, Clarion Books, 1968, pp. 32-37. For a fuller description of this phenomenon and its effects, see Chapter 3, "Government UnLocked: Political Constraints on Federal Growth Since the 1930s," in Vol. II of this study. ACIR (A-78).

<sup>25</sup>Opinion Research Corporation, May 1969 and May 1971 polls, "Public Opinion on Key Domestic Issues," mimeographed, Princeton, NJ, May 1971, p. 17. Source: John C. Whitaker, *Striking a Balance: Environment and Natural Resources Policy in the Nixon-Ford Years*, Washington, DC, American Enterprise Institute for Public Policy Research, 1976, p. 8.

<sup>26</sup>National Opinion Research Center, General Social Survey. Source: "What the Public Thinks," *Resources* 57, January-March 1978, p. 21.

<sup>27</sup>In the two other case studies examined, libraries and fire protection, the question of federal involvement either has never been posed (as in fire protection) or was posed only once and in such a way as to make interpretation difficult (as in libraries).

<sup>28</sup>Lyndon Johnson, quoted in David Broder, *The Party's Over*, New York, NY, Harper Colophon Books, 1971, p. 45.

<sup>29</sup>The 89th Congress was the first in this century where an activist liberal Democratic President did not have to rely on Southern Democratic votes for his programs.

<sup>30</sup>Theodore Lowi, "Europeanization of America: From United States to United State," *Nationalizing Government*, Theodore Lowi and Alan Stone, eds., Beverly Hills, CA, Sage Publications, Inc., 1978, p. 18.

<sup>31</sup>Unnamed New Deal administrator quoted in William E. Leuchtenburg, *Franklin D. Roosevelt and the New Deal*, New York, NY, Harper and Row, 1963, p. 11.

<sup>32</sup>For the basic study of this type, see Alan T. Peacock and Jack Wiseman, *The Growth of Public Expenditure in the United Kingdom*, Princeton, NJ, Princeton University Press, 1961.

<sup>33</sup>For a thorough analysis of the breakdown of fiscal con-

straints on the federal government, see "Financing Federal Growth: Changing Aspects of Fiscal Constraints," Vol. II of this study. ACIR (A-78), *op cit*.

<sup>34</sup>For example, in 1948, in Donora, PA, a heavy smog was alleged to have caused 20 deaths and 1,440 cases of serious ill-

ness. Greater than usual levels of air pollution coupled with fog hung over London for five days in 1952, reportedly resulting in almost 4,000 deaths. In 1953, in New York, an inverted air mass trapped industrial and automotive waste over the city and is believed to have caused as many as 200 deaths.

# The Federal Role: Criteria, Assessment, And Analysis

**T**he bulk of the research presented in this report, and summarized in the two preceding chapters, has documented the vast expansion of the federal role in the American federal system, especially over the past 20 years. These commentaries have been largely descriptive and analytical, rather than evaluative: they explain the “hows” and “whys” of the changes which have occurred, but don’t assess their impact and implications.

Yet for policymaking purposes, a normative element also is essential. The condition of American federalism cannot be described solely by reference to the amount of funds, the number of programs, and political activities—although an understanding of these is certainly mandatory. What also is necessary is an assessment of *performance*; that is, *how well it works*. Unlike the others, this chapter has such a normative, as well as analytical cast.

## CONTEMPORARY FEDERALISM AND THE ILLUSION OF CENTRALIZATION

At the most fundamental level, the question is whether the original Constitutional conception of separately constituted governmental levels, each possessed of some degree of sovereign authority, retains any viability or relevance at all as the end of the 20th Century approaches. Opinion on this pivotal question is certainly not clear-cut: Some commentators argue the negative side, terming the states themselves “outmoded” in an era of in-

creasing economic and social nationalization. Others believe that the growth of national programmatic responsibilities signals the gradual emergence of a unitary rather than federal governmental system.

These are not this Commission's views, however. From its inception, ACIR has believed that the historic claims for a federal system of representative and democratic government retain their validity, even in a period of economic centralization and expanded public responsibilities—perhaps even more so. It therefore remains fully committed to the maintenance of the vitality and effectiveness of American government at *each* of its three levels: national, state and local.

This faith is underscored by the fact that the direct domestic responsibilities of the national government still are extremely limited, and are apt to remain so. The passage of time has seen progressive weakening of the old model of "dual" federalism in functional assignment and a movement toward increasingly intermixed responsibilities—the "marble cake" pattern, as it is commonly termed—but a unitary system has not emerged, operationally, politically, or legally. Although federal programs, budgets, and regulations have grown markedly over the past 20 years, federal domestic employment—perhaps the best single indicator of the direct national role—has held almost steady.

This is the case because, for the most part, the federal government has sought to exert its increasing influence indirectly, through the carrot-and-stick of subsidy and regulation. State and local governments remain the dominant service providers in every domestic field—except social security, the postal service, money and banking, and certain regulatory areas—and there is no possibility that this pattern will be altered significantly in the foreseeable future. Indeed, in many areas of important federal activity, even the financial contribution is quite small. Despite the illusion of increasing centralization fostered by the array of federal programs, a formal or even *de facto* shift to a genuinely unitary model of governance still lies beyond the pale of political discourse or practical consideration.

What is at issue, then, are not the competing claims of "centralization" and "federalism", but rather the desirability of the present system of intergovernmental administration and politics. As indicated in Chapter I of this volume, this system is

rather new. The past 20 years have seen near-revolutionary changes in the size, scope, and depth of national governmental activities—but largely through the use of conditional grant-in-aid programs and within a distinctly federal Constitutional, political, and fiscal framework. Given these dramatic shifts, past assessments have become outdated, and the traditional rationales for federal participation in domestic service functions need reconsideration.

## FIVE STANDARDS OF ASSESSMENT

Any such assessment of the current intergovernmental system requires some set of standards or norms against which its performance may be judged. Benchmarks are necessary if sound conclusions are to be formed. Yet, as the review of federalist theory in this report revealed, there is no ultimate standard.<sup>1</sup> Instead, there are a variety of schools of thought—developmental, democratic, rational, administrative—none of which offers undisputed claims or sure policy guidance on questions of functional responsibility. Arguments are advanced for both centralized and decentralized systems by each of these philosophic groups. Federalist theory consequently is in a confused and unclear condition.

Thus, any assessment must reflect multiple values from a largely pragmatic standpoint. Perhaps this is as it should be, given the American political tradition. Certainly the grant-in-aid itself is preeminently a device of pragmatic government, an instrument of political compromise, rather than of ideology. Essentially pragmatic judgments have always been at the root of the expanding federal role. However, the most influential of the judgments have normally been applied to specific programs at the time of their creation. What is required now is a thoroughgoing pragmatic assessment of the intergovernmental system in its entirety, in light of conditions current in 1980 and probably beyond.

Despite the theoretical confusion, various interpretations of federalism do suggest a series of criteria to guide such an assessment. Five—involving national purpose, economic efficiency, fiscal equity, political accountability, and administrative effectiveness—have been employed by the Commission in past studies of functional assignment is-

sues. The following sections review the Commission's previously adopted criteria and examine the present role of the national government in the federal system on that basis. Each of the criteria is described briefly below.

## National Purpose

In past studies, the Commission has devised several criteria for assessing the assignment of functions in the American federal system. One of these studies, *Financing Schools and Property Tax Relief*, spoke very directly, and in considerable detail, to the question of national versus state-local responsibilities.<sup>2</sup> The report contrasted both "activist" and "traditional" views of the national government's proper role, coming down squarely on the side of the latter.

Those inclined to the activist view, the report indicated, frequently rely upon what can be termed the "timely contribution" test. If a proposal might make an effective contribution to the solution of a serious and persistent domestic problem, they argue, national governmental involvement is warranted. Even if state or local action might be forthcoming, the federal government can help to "hurry history along."

In contrast, the traditional federalist position urges that Congress exercise great restraint in helping to solve problems previously regarded as the exclusive responsibility of the states. The report noted that:

... the traditional federalist is not satisfied with the vague contention that new federal aid programs will "promote the general welfare." Rather he subjects the proposal to a test that is rigorous enough to screen out all but the most persuasive plan for new federal initiatives in areas of traditional state-local concern ... The traditional federalist also has a more relaxed attitude when it comes to the pace of reform. He generally opposes attempts to "hurry history along" by means of federal carrots and sticks.<sup>3</sup>

In formulating its position on public education finance and property tax relief, the Commission adhered strongly to the latter position. Specifically, the Commission concluded that:

... the interests of our federal system are best served when states retain primary responsibility for shaping policies dealing with general property tax relief and intra-state equalization of school finances—two areas that traditionally have been within the exclusive domain of state policy-makers.<sup>4</sup>

The reduction of fiscal disparities among school districts within a state was determined to be a state responsibility. A massive new federal effort directed toward this policy objective was said to be neither necessary nor desirable.<sup>5</sup>

More generally, the Commission argued that federal intervention into the principal spheres of state-local responsibility should never be undertaken lightly. Intervention was said to be warranted when there was a head-on conflict between a major federal objective and the policies of most states that could be resolved only by federal government action. This position was very restrictive, the report noted, but it also was thought necessary:

... in order to check or at least slow down the steady growth of federal categorical aid. Simply to allege that a specific categorical aid proposal will "promote the general welfare" does not sufficiently justify its adoption on the basis of a strong national interest.<sup>6</sup>

Although the Commission has long supported the consolidation of closely related or duplicative categorical programs and the use of broadly based fiscal aid, including General Revenue Sharing, the report also warned that:

... it is not enough for Congress to build greater flexibility into its present aid system by means of general revenue sharing and the consolidation of narrow categorical aid programs into broader and more manageable block grants. Congress should also scrutinize closely all demands for the enactment of new federal categorical aid programs.<sup>7</sup>

The report's general stance was summed up by this strongly phrased warning:

The most significant and positive inference that can be drawn from the Commission's policy recommendation is this—it is not

necessary to buck every problem up to Washington for resolution. . . . If states are to play a strong role in our federal system, Congress must resist the constant temptation to solve problems that should be handled at the state level.<sup>8</sup>

## Four Additional Criteria

Although the national purpose criteria speaks most directly to the question of the proper federal role, a later and more detailed Commission study of assignment-of-functions problems at the subnational level identified four other criteria for allocating servicing responsibilities among state, area-wide, and local jurisdictions.<sup>9</sup> These four were:

- economic efficiency,
- fiscal equity,
- political accountability, and
- administrative effectiveness.

Summary descriptions appear in *Figure 1*.

Each of these four, the report indicated, provides a general principle that should be weighed in developing a balanced and rational assignment-of-functions policy. The Commission called upon each state to enact legislation which establishes an ongoing assignment-of-functions policy and process and to create a more reasoned and systematic assignment of functions between and among state, local, and areawide units of government, employing these four criteria as general guides.<sup>10</sup>

## LIMITATIONS

Under the best of circumstances, the application of these criteria is no easy task. Each presents its own difficulties of definition and measurement; more importantly, the criteria are multiple—five in all—without a clear system for ranking them. The 1974 report noted that:

. . . assignment criteria complement or conflict with one another. Clearly all criteria cannot be achieved simultaneously in a functional assignment . . . Assignment criteria do not unequivocally favor delegation of functions to any particular level of local government. . . . A central problem is the determination of which criteria are

most important in the delivery of a particular service.<sup>11</sup>

None of the five is necessarily paramount. Indeed, a strong case could be made for the preeminence of each, depending upon one's philosophical commitments. The concept of national purpose is, of course, closely associated with traditional views of American federalism and deeply rooted Jeffersonian values of individual initiative and small government. Yet, political accountability may be seen as the very touchstone of a government based upon the consent of the governed. Equity also can be regarded as the fundamental commitment of our democratic egalitarianism in the socioeconomic spheres, while "effectiveness and efficiency" standards appeal to the management norms of American administrative philosophy and the values of a capitalistic society. Each of the five, then, has a firm foundation in the American political heritage. Each claims its due; none will be displaced.

A second problem arises from the multiple activities that are involved in most governmental functions. Any functional area may involve such disparate activities as regulation, planning, service delivery, training, construction, evaluation, and research. The varied components of a single function might appropriately be assigned to different levels of government.<sup>12</sup>

All of these operational difficulties are exacerbated greatly when the criteria are applied to the question of national governmental responsibilities. The federal government actually provides, or has been "assigned," very few domestic services. Instead, the policy issues in most fields revolve around the magnitude and character of fiscal participation. The federal role is one of banker or check writer, rather than service deliverer—and in a great many fields, even the federal financial contribution is comparatively small.

In contrast, as a close reading of *Table I* indicates, the four secondary assignment criteria—which were developed for state-local consideration and application—assume the possibility of a direct servicing responsibility for each of the subnational governments. For the purposes of the original study, all subnational jurisdictions within each of the 50 systems, including the states themselves, were presumed to have an actual or potential capacity for such a role. Intergovernmental fiscal transfers were regarded as but one device in this functional assignment scenario, and a relatively



*Figure 1*  
**FOUR FUNCTIONAL ASSIGNMENT CRITERIA**

- 1. Economic Efficiency:** Functions should be assigned (a) to jurisdictions that are large enough to realize economics of scale and small enough not to incur diseconomies of scale, (b) to jurisdictions that are willing to provide alternative service offerings at a price range and level of effectiveness acceptable to local citizenry, and (c) to jurisdictions that adopt pricing policies for their functions when appropriate.
- 2. Equity:** Functions should be assigned (a) to jurisdictions that are large enough to encompass the costs and benefits of a function or that are willing to compensate other jurisdictions for the service costs imposed or benefits received by them, (b) to jurisdictions that have adequate fiscal capacity to finance their public service responsibilities in a manner which insures interpersonal and interjurisdictional fiscal equalization, and (c) to jurisdictions that are able to absorb the financial risks involved.
- 3. Political Accountability:** Functions should be assigned (a) to jurisdictions that are controllable by, accessible to, and accountable to their residents and (b) to jurisdictions that maximize the conditions and opportunities for active and productive citizen participation.
- 4. Administrative Effectiveness:** Functions should be assigned to jurisdictions (a) that are responsible for a sufficient number of functions and that can balance competing functional interest, (b) that encompass a logical geographic area for effective performance of a function, (c) that explicitly determine the goals and means of discharging assigned public service responsibilities and that periodically reassess program goals in light of performance standards, (d) that are willing to pursue intergovernmental means of promoting interlocal functional conflict, and (e) that have adequate legal authority and management capability to perform a function.

SOURCE: Advisory Commission on Intergovernmental Relations, *Governmental Functions and Processes: Local and Area wide (A-45)*, Washington, DC, U.S. Government Printing Office, 1974, p. 99.

secondary one at that. Implicit in all this, then, was a family of interdependent, yet partially autonomous, general governments possessing the legal, administrative, geographic, and fiscal capacity to discharge the services assigned to them.

When these criteria are applied to the federal system as a whole, the highly specialized role of the national government is confronted head-on. As a revenue raiser, regulator, resourceful provider of conditional grants—and rigorously limited direct provider of services to the citizenry—the federal

role creates serious hurdles to those who seek merely to extend the four supplementary criteria to its activities. The direct assignment of most domestic functions to the national government lies beyond the pale, unless the sustained belief in a small federal bureaucracy—shared by liberals and conservatives alike and more powerfully held now than a generation ago—is discarded. Moreover, the perennial resort to intergovernmental fiscal transfers has facilitated the steady refusal on the part of national policymakers to confront the ques-

tion of whether the function aided could in fact legally be performed by the national government at all. These two factors, then—the bureaucratic and Constitutional questions—could make a shambles of any effort to apply these criteria to the federal role.

Still, despite such difficulties, these five criteria can provide at least some general standards or rough yardsticks against which the design and operation of the contemporary intergovernmental system as a whole may be judged. National purpose, efficiency, equity, effectiveness, and accountability remain key values, and a general evaluation is possible, although precise prescriptions at either the functional or program level are not.

The following sections attempt such a general appraisal, drawing upon the findings of the present study and other recent assessments. What they indicate is that the present intergovernmental system—and the federal role within it—has been much criticized on each of the five scoreboards. Federal intergovernmental programs are not related to any sort of clearly defined and limited set of major national purposes. Many intergovernmental programs do not strongly further objectives relating to interjurisdictional or interpersonal equity. Problems relating to administrative effectiveness and economic efficiency are widespread, and government at all levels appears increasingly unaccountable to the public it serves.

This appraisal is considerably more critical than those prepared two or three decades ago. While echoing some earlier warnings, the record suggests that the performance of the intergovernmental system as a whole has not kept pace with the substantial expansion in the size, scope, and depth of national responsibilities.

Equally important, the case study findings presented in the previous chapter and elsewhere in this report suggest that the political dynamics which seem to be inherent in the use of the grant-in-aid instrument usually work against the full achievement of these objectives. These political factors account for some of the most important shortcomings of the present intergovernmental system.

Each of the following sections draws upon one or more of the seven functional field case studies, as well as the findings reported in the previous chapter, to illustrate general tendencies and common problems in the process of policy development.

## THE NATIONAL PURPOSE

### Theory

The idea of a “national purpose” or “national objective” has been a principal historical standard for the evaluation of proposals for federal aid (and other federal) programs. It suggests that some governmental activities, due to their special significance for the nation as a whole, must be entrusted to the national government. Yet, it is at the same time an essentially conservative standard, because it implies that other, less crucial activities should be left to the states and localities.

The issue involved here is an ancient one. Until 50 years ago, however, the question was primarily one of national *authority* rather than national *purpose*. For the first century and a half of American history, it could be said—as James Madison asserted—that the powers delegated to the Congress were “few and defined,” and “exercised principally on external objects, such as war, peace, negotiation and foreign commerce.”<sup>13</sup>

The national purpose concept became a central concern following the “Constitutional revolution” of the late 1930s. Although Supreme Court decisions during the New Deal era opened up the lawful realm of federal activity very substantially through expansive interpretations of commerce, taxing, and spending powers, they did not eliminate all philosophical and political constraints on the scope of the federal role. Instead, the question of appropriate national responsibilities became a primary focus of political debate, frequently involving partisan competition between Democrats and Republicans. Rival interpretations of the “national purpose” succeeded older arguments about the meaning of the “general welfare” and “reserved powers” clauses and the scope of the commerce power. But, since the 1940s—and up until the present day—the Congress and the President, rather than the courts, generally have been the final arbiter. Since 1937, the balance of authority in the federal system has been an overtly political balance, not a judicial one.

Throughout most of this period, the need for thorough assessments of proposed federal activities against a carefully and restrictively conceived conception of an appropriate national role was indicated many times. In its 1955 report, the Commission on Intergovernmental Relations (Kestnbaum Commission) stated its view in these terms:

A grant should be made or continued only for a clearly indicated and presently important national objective. This calls for a searching and selective test of the justification for national participation. . . . Existence of a national interest in an activity is not in itself enough to warrant national participation. Related questions are the relative importance of the national interest and the extent to which it may be served by state and local action. Consequently, where the activity is normally the primary responsibility of state and local governments, substantial evidence should be required that national participation is necessary in order to protect or to promote the national interest.<sup>14</sup>

In its 1974 study, the Commission developed and employed a two-part test of "irreconcilable conflict" to determine whether federal entry into the traditional domain of state governments could be justified on the basis of a strong national government interest. This highly restrictive test required that:

- a) the problem that precipitated the demand for federal intervention stems from a head-on conflict—a serious undercutting of a major federal program objective by policies of most states;
- b) the intergovernmental conflict can be resolved only by federal government action.<sup>15</sup>

## Assessment

Despite its crucial philosophical role, few analysts believe that the federal grant-in-aid system has ever reflected a clear conception of appropriate national objectives or national purposes. For many decades, critics have been unable to identify *any* sort of rationale—except a narrowly political one—underlying existing federal programs. Furthermore, the concept seemingly has become less and less relevant as a guide to federal policy as time has passed. Such keen observers as Samuel H. Beer believe that the paramount problem of the past decade was not so much that the federal government has grown, but that its growth has been "without purpose," unrelated to any overarching "public philosophy."<sup>16</sup> In this period, a national in-

terest in fact was asserted by Washington in essentially every sphere of state and local activity.

Admittedly, there are serious conceptual problems relating to the precise interpretation of the national purpose concept and to its practical application in policymaking. The notion is by no means easy to define or measure; some regard the task as essentially impossible. This view was expressed succinctly by V. O. Key, Jr. as early as 1937. "There is," he declared, "no mystic standard by which it may be determined that one activity is affected with a national interest and another is a purely local matter."<sup>17</sup> He attributed the creation of grant programs to pragmatic interest group politics, rather than to any philosophical conception of national needs and priorities.

A dozen years later, a very similar conclusion was reflected in the report of a committee on federal grants in aid of the Council of State Governments. The "national interest," the report said:

. . . appears to be a synonym for "general welfare," and it is equally hard to define. Furthermore, it is a changing concept, and there is a zone with regard to which reasonable differences of opinion exist. The national interest is apparent in such activities as foreign affairs, national defense, interstate commerce, patents, and immigration. At the other extreme, few would contend that local police or fire protection involve a direct national interest. This leaves a vast area of activities and services "in the middle," where the national interest is far from settled.

The Committee added, however, that:

. . . the present "system" of federal grants does little to clarify the meaning of national interest. There are federal grants for certain categories of public assistance, but not for others. There is federal aid for hospital construction, but not for other types of public buildings. About all that can be said for the "national interest" in existing grant programs is that sufficient pressure has been exerted by those interested in special activities to accomplish the enactment of a great many federal-aid statutes.<sup>18</sup>

By the 1960s, criticism of this kind had become commonplace. After examining the range of exist-

ing programs, Phillip Monypenny observed at the start of the decade that while:

. . . every grant, from the construction of wildlife refuges to the piddling expenditures for civil defense, serves some purpose which its defenders regard as properly national, . . . the attributes of matters of national concern are by no means obvious.<sup>19</sup>

And Morton Grodzins declared flatly that:

. . . the grant programs have been enacted in response to public demands for the purpose of meeting public needs. The end result is the lack of any over-all system of national grants. Each program is legislated separately; its relation to other programs is unplanned and unclear, and is certainly not based on any total picture of national purpose.<sup>20</sup>

Yet, if the federal grants of the early 1960s embodied little clear philosophical conception of national concerns, they still left most domestic services and activities untouched. By happenstance, rather than design, the old model of “dual federalism” retained a certain validity. But the vast expansion of the federal aid system during the Johnson era complicated matters much more. In the 1960s, as James L. Sundquist has commented:

. . . The American federal system entered a new phase. Through a series of dramatic enactments, the Congress asserted the national interest and authority in a wide range of governmental functions that until then had been the province, exclusively or predominantly, of state and local governments . . . The massive federal intervention in community affairs came in some of the most sacrosanct of all the traditional preserves of state and local authority.<sup>21</sup>

Moreover, federal responsibilities expanded steadily throughout the 1970s. Prior enactments apparently created precedents for later ones by piercing the “legitimacy barrier” against national involvement. James Q. Wilson has explained that:

. . . until rather recently, the chief issue in any congressional argument over new policies was whether it was legitimate for the federal government to do something at

all. . . . But once the initial law is passed, the issue of legitimacy disappears, and, except in those few cases where the Supreme Court later holds the law unconstitutional, does not reemerge. . . .

Once the “legitimacy barrier” has fallen, political conflict takes a very different form. New programs need not await the advent of a crisis or an extraordinary majority, because no program is any longer “new”—it is seen, rather, as an extension, a modification, or enlargement of something the government is already doing. Congressmen will argue about “how much,” or “where,” or “what kind,” but not about “whether.”<sup>22</sup>

Over the past two decades, then, national officials have found new problems of federal concern in essentially every activity of state and local governments, and functional roles have become thoroughly intertwined. The “marble cake” pattern which Grodzins described in 1966 became—if it had not always been—the most accurate description of this intermixing of responsibilities. An extraordinary degree of “marbleization” has become the overwhelmingly dominant trait of contemporary intergovernmental relations.<sup>23</sup>

The result is that entries in the *Congressional Record* and the minutes of a city council meeting have become increasingly similar. As *Figure 2* shows, recent years have seen the adoption of a host of new programs affecting many of the most traditionally local of governmental activities, and proposals in such areas as jail construction, zoos, library operating expenses, and the like have been considered by Congress. It seems plain that—as Charles L. Schultze has argued—a great many such specific-purpose programs:

. . . probably serve no major national purpose but simply reflect the substitution of the judgement of federal legislators and agency officials for that of state and local officials about what specific local services should be available.<sup>24</sup>

## Case Study Findings

The Commission’s case studies, in tracing the historical evolution of the federal role in seven functional fields, suggest how it is that this mesh-

Figure 2

**SELECTED FEDERAL PROGRAMS  
DEALING WITH TRADITIONALLY  
LOCAL PROBLEMS**

Arson Control  
Meals-on-Wheels  
School Security  
Solid Waste Disposal  
Rat Control  
Bridge Replacement and Rehabilitation  
Noise Control  
Urban Gardening  
Education of Gifted Children  
Home Insulation  
Urban Park Facilities  
Snow Removal  
Police Disability Payments  
Alcohol Abuse  
Homemaker Services for the Elderly  
Bikeways  
Museums  
Runaway Youth  
Pothole Repair  
Adolescent Pregnancy

ing of federal-state-local responsibilities has come about. Two major forces appear to be at work. First, even the universally accepted federal function of national defense has had implications for a surprisingly broad range of public services. Secondly, the number of recognized national objectives has expanded substantially since the 1930s, and especially during the past 15 years. Efforts to reduce unemployment, alleviate poverty, and improve the quality of the environment, for example, have greatly increased the range of federal programmatic activity. Both points are discussed below.

**NATIONAL DEFENSE**

National defense is, in Constitutional terms, perhaps the preeminent function of the federal government, and many of the Founders described its role chiefly in these terms. In principle, moreover, the distinction between defense and domestic concerns appears clear-cut. In practice, on the other hand, mobilization for the conduct of war has always necessitated direct federal intervention into state, local and private affairs, sometimes in-

cluding serious curtailment of both civil and economic rights.

Even in peacetime, during the nuclear age, defense requirements have been difficult to separate from those of domestic policymaking. A strong national defense posture, after all, requires an educated citizenry, a healthy citizenry, a sound economy, and a good transportation system. These defense concerns have been important and, at times, decisive influences in key fields of domestic policy.

Education policy development, reviewed in two of the Commission's case studies, provides many examples. In contrast to defense, state and local control over education is one of the nation's most deeply rooted governmental traditions and, in principle, the two fields might appear to be unrelated. Yet, time after time, important educational measures have been justified in terms of their contribution to the nation's strategic posture.

These links date back for more than a century. Military considerations were one influence on the adoption of the *Morill Act of 1862*, which created the nationwide system of land grant colleges. The inspiration for the Act arose partly from Civil War-related needs for scientists, engineers, and farmers who could produce food for the Army, and recipient colleges were required to offer a program of military instruction.

World War II also was a watershed in the development of federal involvement in higher education. The massive wartime research effort had a major, lasting impact on the nation's universities. Indeed, until 1970 research grants were the principal form of federal assistance to higher education. Throughout the 1940s and 1950s, this category of spending was dominated by defense-related programs.

Also important was the GI Bill, formally titled *Service Man's Readjustment Act of 1944*, which was enacted to ease the transition to a post-war economy and as partial repayment of the nation's debt to its veterans. It was *not* principally an educational measure, as evidenced by the failure of Congress to pursue the Zook Commission (1946) proposals for direct federal grants to state universities. Yet the initial educational impact of the legislation was enormous. Partly in response to the flood of new students inundating the nation's campuses, new federal programs authorizing loans for dormitory and housing construction, and later for dining halls, health care facilities, student unions, and the like, also were enacted.

National defense concerns have had a similar influence upon the evolution of federal policy affecting elementary and secondary education. Although it had been impossible to obtain Congressional consensus on the need for general federal aid to the public schools, a few defense-related measures were enacted quite readily, with bipartisan support, in the post-war era. Financial assistance to areas "impacted" by large federal installations was adopted in 1950 during the Korean War. Even conservative opponents of general aid supported the measure as a system of payments in lieu of taxes with strong defense overtones. By 1970 it provided funds to school systems in 385 of the 435 Congressional districts. Following the Sputnik crisis, the Congress in 1958 passed the *National Defense Education Act* (NDEA), a multi-titled statute aimed at enhancing instruction in the "defense-related" fields of mathematics, science, and foreign languages. The Act declared that "the national interest requires . . . that the federal government give assistance to education for programs which are important to national defense." NDEA was a political and psychological breakthrough which:

. . . asserted, more forcefully than at any time in nearly a century, a national interest in the quality of education that the states, communities, and private institutions provide.<sup>25</sup>

By the early 1960s, the federal government had assumed an important role in the field of education, in good measure on the basis of defense considerations. Although the rationale for federal participation was to shift with the passage of time, these early programs established the federal "stake" in the field and eased the passage of later legislation.

Defense influences have appeared in a number of other areas, including some where they might be least expected. One finds significant traces of the military imperative in even such a localistic function as fire protection. Although federal civil defense agencies were involved in fire activities in the 1950s, collecting fire information and supplementing in-service training, this role took on new importance in the 1960s, particularly in the wake of the Cuban Missile Crisis. As already established organizations with ongoing operations, the fire services provided a ready-made vehicle through which civil defense could be promoted.

Civil defense agencies took a number of steps to advance federal participation in fire activities. They provided substantial financial support for fire research and also encouraged the formation of a national fire research information network by bringing together those with whom they had research contracts. With financial support from the National Board of Fire Underwriters, the Office of Defense Mobilization initiated a series of fire staff and command schools. These brought together fire professionals at the national and local levels, creating mutual understanding and respect and providing a forum for the exchange of views on fire service problems.

The Office of Civil Defense (OCD) also drew the U.S. Forest Service into its programs. President Kennedy gave the Forest Service responsibility for rural fire protection in case of enemy attack, while the OCD was to coordinate and finance the nuclear fire protection program. Toward that end, the OCD funded a Forest Service study on fire protection needs and resources, which suggested that fire defense readiness be developed through training, special fire analysis of each community, fire plans, and protective measures. In addition, the Forest Service undertook the training of firemen in selected rural areas in order to build defense capability.

In short, the early development of a federal role in two of the traditionally "most local" of governmental functions owed much to the indirect impact of the "most national." Defense concerns contributed quite directly to the growth of federal programs in both education and fire protection. Although this factor was perhaps not determinative, its impact cannot be ignored, and the "defense connection" certainly strengthened the hand of proponents of an expanded federal role in these fields.

## UNEMPLOYMENT

Similar complex interrelationships may be found between local government services and another major national responsibility—the management of the economy—or, more specifically, unemployment policy. Although the *goal* of reducing unemployment has been relatively fixed for more than 40 years, the *means* have changed radically, with important implications for intergovernmental relationships. Every step has involved increasing ties between national and state-local authorities.

In general terms, the federal commitment to the nation's economic well-being is very long standing. Indeed, economic considerations—like those of defense—played an important role in the decision to replace Articles of Confederation with a new system of government. Many Constitutional provisions imply some federal responsibility to “manage” the economy: the power to regulate interstate commerce, to coin money, to issue patents, and so forth.

Yet, for many decades, these responsibilities were construed rather narrowly. Even the transition to industrialism in the post-Civil War era produced only rather slow changes in traditional governmental functions—and these related, for the most part, to regulatory issues. Though the economy went through noticeable periods of boom and bust, these problems were not of much governmental concern.

A national commitment to do something about unemployment and the economic suffering it causes reaches back only to the period of the Great Depression. The recognition that large-scale, involuntary unemployment could occur; that it might also be ameliorated and even prevented; and that the federal government in Washington had a crucial role to play in this area, involved a slow but extensive “learning process” for professional economists, public officials, and the general public alike. Widespread consensus on these points was not in fact attained until the end of the 1960s.

Many of the Depression programs were temporary, providing emergency work or cash relief. However, federal unemployment policy received its permanent foundations from the program of unemployment insurance (UI) adopted in 1935, as well as the pathbreaking *Employment Act of 1946*. The former encouraged the creation of state programs of financial assistance to the unemployed, while the latter declared it to be Washington's “continuing policy and responsibility . . . to promote maximum employment, production, and purchasing power” through Keynesian techniques. Of the two, only the first involved cooperation between state and national governments, and—although the administration of the UI system has been criticized frequently—the roles of each level were comparatively confined and clear-cut.

Unfortunately, neither unemployment insurance nor macroeconomic policy provided adequate protection against persistently high unemployment rates in depressed areas and among certain eco-

nomically disadvantaged groups in the years following WWII. During the 1950s and 1960s, new theories of “structural” unemployment arose to account for these unexpected misfortunes and to suggest how they might be eliminated. The result was the creation of whole new sets of economic development and employment training (or “manpower”) programs, beginning initially with the *Area Redevelopment Act of 1961* and the *Manpower Development and Training Act of 1962*. These declared that there was a national interest in “the maintenance of the national economy at a high level” and the elimination of current and prospective manpower shortages.

Programs of both of these types have encouraged the creation of important new policy roles for state and especially local governments, and the concern with unemployment has grown to reach into an extremely broad range of public service activities. After all, most governmental services have some potential impact upon the location of jobs and/or the employment prospects of individuals. This has stimulated the enactment of a large number of grants-in-aid.

The comprehensive program of economic development assistance provided by the Appalachian Regional Commission (ARC) to its 13 member states offers an illustration. ARC programs include aid for such diverse activities as highways, child development, mine area restoration, water pollution control, libraries, health facilities, vocational education, housing, and airports—all traditionally state and local services. Many of these programs owe their origin to a process of bureaucratic entrepreneurship, coupled with the theory that only a multifaceted effort could attract new industries into played-out mining areas. According to James L. Sundquist, the major federal agencies all responded enthusiastically to President Kennedy's desire to offer additional resources to this depressed area:

The federal officials had a presidential directive to cooperate, and to each agency that became a directive to justify an expansion of its services wherever it could do so. Appalachia was “in” in 1963; a federal agency that could not find a way to help would have had to be singularly lacking in respect for its own importance.

In every corner of the federal establishment, during the summer of 1963, ideas

for the Appalachia program began to grow—usually in the form of regional addenda to agency budgets.<sup>26</sup>

As this example shows, a concern with structural unemployment may, and has justified many new forms of federal aid. Considerations of this kind, like those involving defense, contributed to the development of federal fire protection programs. In fact, they were the basis for federal intervention into rural community fire protection, long considered one of the most local of all governmental functions. In the *Rural Development Act of 1972*, Congress declared that:

... inadequate fire protection and the resultant threat of substantial losses of life and property is a significant deterrent to the investment of the labor and capital needed to help revitalize rural America, and that well organized, equipped, and trained firefighting forces are needed in many rural areas to encourage and safeguard public and private investments in the improvement and development of areas of rural America where organized protection against losses from wildfire is lacking or inadequate.<sup>27</sup>

Although the economic foundations of this assertion were not examined very closely, the measure was readily accepted by Congress. Given the commitment to rural community development efforts, the propriety of federal intervention in fire protection was never seriously debated.

In the 1970s, continuing national problems of poor economic performance encouraged a further expansion of federal unemployment aid and created major new programmatic ties between Washington and the nation's communities. In particular, Congress' and the Carter Administration's "economic stimulus package" gave state and local government important new responsibilities for stabilizing the national economy. These responsibilities affected a broad range of public service functions. The stimulus package included three major programs: Anti-Recession Fiscal Assistance (ARFA); Local Public Works (LPW), and the public employment titles of the *Comprehensive Employment and Training Act* (CETA, Titles II and VI). Although early elements were adopted by Congress over the opposition of President Ford, this new effort in countercyclical policy was warmly embraced and

substantially enlarged by the Carter Administration in one of its first official acts. By Spring 1977, a new set of grant programs had been created, with combined outlays totalling some \$9.2 billion in FY 1978, nearly 12% of all federal aid.

Funds from one or more of these three programs could be used for essentially any local government activity that provided benefits to the unemployed. ARFA funds, like general revenue sharing, were nearly unrestricted in their use. CETA offered temporary public service jobs in fields as diverse as park maintenance, libraries, social work and the arts, while LPW funds built or repaired sewers, streets, schools, parks, hospitals, and a wide range of other facilities. Because of the size and scope of these programs, and the concentration of their funds especially in large cities, some have argued that the economic stimulus package constituted the most significant program of aid to urban areas in American history.<sup>28</sup>

In short, the historical record shows that with every passing decade, the national commitment to reduce unemployment has encouraged a bigger and broader array of federal policy initiatives. Every state, most local governments, and most functional activities have been affected by the ever expanding network of intergovernmental linkages.

## THE ELIMINATION OF POVERTY

Like the earlier national commitments to protect the nation from military threats and to reduce the economic hardships of unemployment, the newer national objectives adopted in more recent years have had ever broadening implications for intergovernmental relationships. The "War on Poverty" begun in the mid-1960s is perhaps the foremost example. Although the *Economic Opportunity Act of 1964* (EOA) was not the first program of aid to the poor, it was the first federal statute to make the elimination of poverty a major national objective. With its passage, the President and Congress declared it to be "the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation" and unleashed an entire arsenal of new and expanded federal domestic programs.

The formulation of the War on Poverty provides a classic case study of White House and bureaucratic policy entrepreneurship. As Bibby and Davidson observe: "The most significant feature of



the Economic Opportunity Act . . . was that it was 'legislated' almost entirely within the Executive Branch and, indeed, virtually without prodding from Congressional or other 'outside' clienteles."<sup>29</sup> EOA was drawn up by a Presidential task force, and although many of the programs included had direct Congressional antecedents, the decision to include and tailor these into an omnibus bill was purely an executive choice. In response to pressure from the White House, Congress passed the bill largely intact, despite substantial opposition from Republicans and southern Democrats.

Once established, the commitment to eliminate poverty had implications for nearly the full range of domestic activities. Individual hardship, it was thought, would yield before a multifaced, a well coordinated, comprehensive attack. Reflecting this view, the Office of Economic Opportunity produced a catalog listing some 250 antipoverty programs administered by 17 different federal departments and agencies. It is of course quite true that the needs of the poor are numerous: for housing, medical care, food, child care, job training, legal assistance, education, transportation, social services—even help in paying their spiraling fuel bills. And there also are many distinct groups of disadvantaged persons: the elderly, dependent children, blacks, native Americans, the Spanish-speaking, youths, women, refugees, the handicapped, and more. Together, these needs and clienteles create a new kind of policy matrix, each cell of which might potentially be responded to with a federal benefit program. Since the mid-1960s, many of them have been.

Some of this diversity was reflected in the *Economic Opportunity Act* itself. Its six, rather loosely related titles created a series of youth employment programs (Title I), an umbrella program for community action (Title II), three small programs aimed at small business employment and investment in low income urban areas (Title V), and a "domestic peace corps" (Title VI). But many other legislative enactments during this period also were affected. For example, the rationale for national aid to schools shifted from defense to educational opportunity, an objective with far broader political appeal.

The effort to enact a bill of general aid to elementary and secondary education dates back to the post-Civil War era. Assistance proposals had frequently passed one chamber or the other of Congress, but never both simultaneously. The issues of

religion, race, and the threat of federal control made agreement extremely difficult, despite (according to opinion polls) widespread public support. Limited purpose programs of categorical aid were adopted—including vocational education (1917), impact aid (1950), and defense education aid (1958), as well as temporary programs of assistance during the Depression and World War II—but proposals for general education assistance and school construction continued to be defeated.

The breakthrough occurred in 1965, as a consequence of President Johnson's leadership, the one-sided partisan outcome of the 1964 election, and a new focus on the disadvantaged student. *The Elementary and Secondary Act of 1965* (ESEA) passed as just one part of the broader effort to combat poverty. "Poverty has many roots," President Johnson once declared, "but the taproot is ignorance." The same shift occurred regarding federal aid to colleges and universities. As Gladieux and Wolanin observe, "the logjam in higher education policy with respect to scholarships was broken by latching on to the antipoverty theme of the times."<sup>30</sup>

Once the political barriers against federal involvement were lowered, education aid began a comparatively rapid programmatic expansion. ESEA established a pattern for these later enactments, with subsequent proposals adopting either a concern for the disadvantaged or for educational innovation. These areas defined a new rationale for federal involvement in education which could be adapted to other areas. Congressional entrepreneurs, mostly liberals, obtained passage of a rash of new education programs. New categories of federal aid were added to address the needs of disadvantaged students, including the Spanish-speaking and the handicapped. Others dealt with such new matters as ethnic, career, and environmental education. By 1979, federal outlays of aid to elementary and secondary education had risen to about \$10 billion, divided among approximately 50 separate programs.

Traces of antipoverty concern left their mark almost everywhere throughout the government, even in unexpected fields. For example, a number of library programs were justified as aid to the needy, even though the middle class provides most of the users of the nation's public libraries. Reflecting the spirit of the times, amendments to the *Library Services and Construction Act* in the 1960s and 1970s offered special services for the handi-

capped, the institutionalized, the educationally disadvantaged, the elderly, and the non-English speaking.

## PROTECTION OF THE ENVIRONMENT

The development of federal environmental policy roughly parallels the cases already discussed: the scope of national concerns has expanded steadily into an increasing number of state and local activities. More than the other cases, however, the environmental field also illustrates another trend. This is a shift from the techniques of subsidy through grants-in-aid to the use of direct national regulation.

National involvement in environmental protection began modestly enough with a small program for research, technical assistance, and loans. But the *Water Pollution Control Act of 1948* was significant, not because of what it could accomplish, but because it was the first federal recognition of water pollution as a national problem. What it did was to legitimize federal entrance (no matter how inconspicuous) into the realm of water pollution control on the basis of the Constitutional powers to tax and spend for the general welfare. (This initial form of involvement was replicated in the field of air pollution in 1955.)

Between 1948 and 1968, environmental policy developed through a pattern of slow, incremental growth. Though outlays increased modestly, the idea that environmental protection was primarily a state, not national, function was never really questioned during this period.

In contrast, the years 1969 to 1972 saw a great burst of federal environmental legislation, spurred on by political entrepreneurs in Congress, federal agencies, and the White House, and backed by an aroused public. The incremental policy process of previous years was abandoned, as new enactments were adopted in what was essentially a game of "political one-upmanship." In symbolic terms, at least, the key bill was the *National Environmental Policy Act of 1969* (NEPA), which assured a newly declared "right to a healthful environment." NEPA also provided for environmental impact reviews of all federally-funded activities to determine whether or not they will have a "significant impact" on environmental quality. Other major statutes included the *Clean Air Act Amendments of 1970* and the *Water Pollution Act Amendments of*

1972, both of which established a far larger and more authoritative federal role than either of their predecessors.

Most recently, federal environmental policy has broadened to include an extensive network of programs affecting such traditionally local activities as noise control, solid waste, and chemicals, in addition to waste water treatment and air quality. Events have moved rapidly in these spheres. For example, although solid waste is clearly among the most traditionally local of governmental services, federal policy in this field escalated from a research and development program to regulation by permit in just 11 years, less than half the time it took for the development of national water quality standards. Hence, while the evolution of solid waste control policy mirrored the evolution of water and air control policy, it reflected the image at a greatly accelerated pace.

Noise control followed a similar course. Until very recently, it too was considered to be a purely state and local problem. City ordinances were aimed at noise sources such as radios, car horns, and the like, while state laws regulated industrial noise levels and automobile muffler systems. Yet a federal role evolved rapidly. The first federal effort to control excessive noise came in 1968, with a statute authorizing the Federal Aviation Administration to set noise limits for new planes. Then in 1969, Department of Labor regulations set decibel limits for noise in industrial concerns receiving federal contracts.

More extensive controls appeared with the *Noise Control Act of 1972*. It authorized the establishment of federal noise emission standards for products distributed in interstate commerce and increased research and information activities by the Environmental Protection Agency (EPA). While states and localities are to retain primacy in the field of noise pollution control, no law or regulations may be enacted which are seen as conflicting with federal standards.

In short, the quest for a "healthful environment"—like efforts to bolster the nation's defenses, reduce unemployment, protect the consumer, and eliminate poverty—has spread to embrace an increasingly wide scope of local governmental service activities. Municipal decisions on everything from parking lots to leaf burning, and industrial development to the city dump, cannot be made without regard for federal regulatory and subsidy programs. And, environmental policy has

increasingly become truly national policy, imposed upon state and local governments, rather than developed by them.

## Conclusion

According to the national purpose criteria, grants-in-aid should be employed to advance major national objectives in the principal fields of federal concern, with other functional fields being left to state and local governments alone. In practice, however, most commentators believe that the federal grant system has never—at *any* stage of its development—embodied a clear conception of national purpose or priorities. The specific activities selected for assistance seem to have reflected short-term political judgments, rather than careful assessment of basic needs.

At the same time, the case study analyses show that even such long-established federal concerns as national defense and unemployment provided a foundation for federal entry into a host of state and local activities. The new national objectives recognized in the 1960s and 1970s have had still more far-reaching implications. Like ripples from stones splashed into water, federal influences move ever outward, leaving a steadily expanded programmatic network in their wake. For example, defense requirements have influenced the evolution of federal policies in even such traditionally local fields as education and fire protection, while unemployment programs have grown since the Depression era to touch upon almost all functional fields. Antipoverty efforts have led to an expanded federal role in job training, education, social services, health, nutrition, and many other domestic areas. A similar pattern can be identified for environmental protection. Few grant or regulatory programs do not contribute, either directly or indirectly, to one or more of these objectives.

While few now contest the necessity for modern governments to address each of these social and economic problems, their implications for the character of intergovernmental relations also must be recognized. Every declaration of a new national objective has spawned a substantial array of grant and regulatory programs, leaving few areas of state and local concern untouched. As a result, the balance of American federalism has been substantially altered.

## EQUITY

Equity—usually defined largely in fiscal terms—provides a second criteria frequently applied to the allocation of functions. This standard emphasizes the “fairness” of functional assignments, especially from the standpoint of comparatively disadvantaged states, communities, and individuals.

## Theory

Few doubt that equity considerations are very important, and quite a few analysts believe that they, in fact, should be paramount. This perspective lies at the heart of standard economic theories of intergovernmental fiscal relations,<sup>31</sup> and the view is shared by some political scientists and public administrators. In his address to ACIR’s National Conference on Federalism in Action in 1975, Alan K. Campbell argued for this priority, contending that:

... public sector benefits should be more directly based on need rather than on what each individual’s pocketbook permits him to acquire. Whether it be education services, police protection, sanitation services, or any other public service, the amount received of the total available should be related to the need for that service. Such equity should relate to both interpersonal and interjurisdictional distribution of the services.<sup>32</sup>

Although it has rejected proposals for the creation of a system of general-purpose equalizing grants, four of the five conditions justifying national action suggested by the Commission on Intergovernmental Relations in its 1955 report dealt with what could be viewed as equity problems: the adequacy of fiscal resources, the need for nationwide uniformity, external costs imposed through state inaction, and the protection of basic political and civil rights.<sup>33</sup>

As analyzed in this Commission’s 1974 study, the equity criterion has two distinct components. These involve: (a) economic externalities, and (b) fiscal equalization. The 1974 study explained that appropriate functions should be assigned to jurisdictions:

a) that are large enough to encompass

the cost and benefits of a function or that are willing to compensate other jurisdictions for the service costs imposed or for benefits received by them [economic externalities] and;

- b) that have adequate fiscal capacity to finance their public service responsibilities and that are willing to implement measures that insure interpersonal and interjurisdictional fiscal equity in the performance of a function [fiscal equalization].<sup>34</sup>

Both of these components have direct application to a system of grants-in-aid. The existence of "spillover" costs or externalities is the classic economic justification for the creation of a categorical grant-in-aid program from a central to lower level government when wholesale functional transfers are impractical. The Commission noted that:

In theory, externalities argue for the assignment of functions to jurisdictions large enough to contain the costs and benefits of a given service. Where this is not possible or feasible, interjurisdictional arrangements are necessary to reduce service inequities. Public functions affected by spillovers may require more centralized financing or administration or both.<sup>35</sup>

Grants-in-aid also may be employed to redistribute fiscal resources among individuals and governments, either through direct cash transfers or in kind payments of goods and services. When it is impossible to assign redistributive functions entirely to governments with adequate fiscal capacity to perform them at fair cost,

... a higher level of government might construct an intergovernmental transfer system that permits local governments to provide equal services at equal rates of taxation, thereby redistributing resources from rich to poor jurisdictions.

Fiscal equalization can be implemented most effectively (politically as well as financially) by a higher level of government. That government could either administer directly a redistributive function or finance its provision by a local unit. The degree of redistribution sought in a function might dictate largely whether it should be admin-

istered or merely financed by a higher unit. Functions with an exclusive redistributive character might be both administered and financed by higher levels while those with lesser elements of redistribution could be administered locally and at least partially financed on a regional, state, or national basis.<sup>36</sup>

## Assessment

Issues of equity are frequently cited in support of federal action. Indeed, perhaps no claim has been made more frequently for new grants-in-aid than that they will be of benefit to disadvantaged states or communities or will increase the income and economic opportunities of the poor. Yet, despite this redistributive rhetoric, many critics note that the federal aid system is not now—and, in fact, never has been—strongly oriented for the achievement of fiscal equity for states, localities, or citizens.

Those concerned with equity goals stress a variety of shortcomings. Many commentaries note the tendency to disperse federal funds very broadly, rather than to target them strongly to the least advantaged states and localities, and point out the weaknesses in many grant allocation formulas and procedures. Many analysts believe that the nation has failed to establish an adequate, equitable, or efficient system for income redistribution to the poor. Finally, experts in public finance contend that the present grant-in-aid system does not conform to the dictates of the theory of economic externalities.

## ALLOCATION OF FUNDS

From the standpoint of fiscal equity, there are serious shortcomings in the design and operation of the federal assistance system as a whole. A host of analyses have indicated that the Robin Hood principle of fiscal redistribution—"take from the rich, give to the poor"—has always received much more lip service than actual use in aid distribution. Recent commentators stress that close targeting to fiscal need (or any other sort of hardship measure) is achieved in a very few programs. Instead, federal grant-in-aid dollars are commonly dispersed broadly among states and localities, including the relatively rich and poor alike.

Monypenny was one of the first to highlight the contrast between the “textbook” justification of federal grants as equalizing measures and the actual operation of the system. In 1960, he pointed out:

The classic case for the extension of financial assistance by one government to another is that it provides money for local governments which need it in order to support essential activities at a minimum level. This implies a larger measure of support for some units than for others, depending on the relative ability of units to finance the programs supported. No *major* federal grant is based primarily on an equalization factor, and those which do include such a factor do not begin to produce a uniform level of service.<sup>37</sup>

Monypenny’s observation retains its general validity today. Commenting on the existing system, Rudolph G. Penner, in a very recent article, stated:

The grant system as a whole has never played an important role in equalizing incomes among states. This is not surprising, since income redistribution is not the explicit goal of the vast majority of grant programs.<sup>38</sup>

These assessments have been confirmed by a variety of research reports. Correlational data show that, since 1940, there has never been even a moderately strong negative association between a state’s per capita personal income level and its per capita grant receipts.<sup>39</sup> More recently, a General Accounting Office analysis of the distribution of federal aid funds in 1975 observed that, of the five states which received the most per capita aid, three had above-average income levels. In contrast, all of the five states receiving the least per capita aid also were well below average in income.<sup>40</sup>

This inattention to the problem of fiscal equalization is a distinctive feature of the American intergovernmental aid system. Most major western federal systems have devised a systematic method of equalizing the overall fiscal resources of their component states. For example, the Canadian national government makes equalization payments to seven of the ten provinces. It is accepted that these payments go only to the needy provinces, and not to those with higher incomes and large tax bases.

A Congressional Budget Office (CBO) study also has raised serious questions about equity standards in the allocation of federal funds at the local level. In 1975 federal expenditures per capita were \$1,059 in the nation’s poorest counties—29% less than the national average—while the counties with above-average incomes received an above average allocation of \$1,665.<sup>41</sup> Even those programs oriented toward development objectives exhibited a similar, though weaker, bias, with counties in the top national quintile on the income measure receiving \$256 per capita, and the poorest counties receiving only \$216 per capita.<sup>42</sup> Differences were noted in the treatment of growth and nongrowth counties, and between those in metropolitan and rural areas and in different sections of the nation. Overall, however, the CBO study observed that:

... the spending patterns identified ... appear to be relatively weak. While there are large differences in federal spending among counties, these discrepancies are only marginally related to differences in local economic circumstances.<sup>43</sup>

Others have reported comparable findings for the overall aid allocation to local governments. G. Ross Stephens and Gerald W. Olson note that more direct federal aid is given to local governments in states with higher levels of personal income, and that federal agencies provide much more assistance than do the states to “relatively inactive” units of local government (i.e., those with zero full-time employees).<sup>44</sup> Neither finding is consistent with a systematic approach to fiscal redistribution.

Assessments of the targeting of urban-oriented programs are mixed. A recent CBO analysis of the responsiveness of federal grants to the social, economic, and fiscal needs of 45 large cities found that each of the five major programs it analyzed:

... is responsive to one or more dimensions of urban need. For some programs and some dimensions of need, however, no relationship is apparent between the size of a city’s grant and its level of need. But in no instance did a program regularly provide larger grants to cities with lesser need.<sup>45</sup>

On the other hand, others stress that federal urban aid is by no means restricted to the most hard-pressed communities. Richard P. Nathan contends that it is a “myth” that federal grants are poured

into the larger, declining cities while bypassing the better-off. Instead, his Brookings Institution research studies suggest that:

... the spreading effect has predominated in recent years and that targeting is a very recent and modest development that already seems to be losing ground. The advent of the computer (and "the politics of the print-out") plus the "New Federalism" of the Nixon-Ford period produced a marked spreading effect in the distribution of federal grants. Jurisdictions which had never seen a U.S. Treasury check before began getting them regularly. ... The picture that many of us carry in our minds of massive federal aid bailing out the nation's most distressed cities, but with healthier cities resisting Washington's blandishments, simply isn't true.<sup>46</sup>

## ALLOCATION TECHNIQUES

Some of these shortcomings can be understood by reference to the design of grant allocation formulas, which determine the distribution of about three-quarters of all grant funds. Most federal grant allocation formulas emphasize program-specific need factors and such "political fair share" measures as total population and equality among the states, rather than fiscal equalization. In 1975 only about one-sixth of the formula-based categorical grants contained provisions that seemed to be specifically intended to make adjustments for differences in the fiscal capacities of recipient jurisdictions.<sup>47</sup> Although need-for-service measures are employed frequently, many are at best rough proxies. Consequently, a number of studies suggest that the "most needy" areas do not actually receive the greatest benefits under many existing programs. Federal aids for education, health, water pollution control, and housing have been found to be weakly associated with objective need indicators.<sup>48</sup>

A second major factor is the open-ended matching arrangement employed in the formulas of some of the public assistance programs, including Aid to Families with Dependent Children (AFDC) and Medicaid. Because of their large size, these grants markedly reduce the redistributive character of the federal aid system as a whole. One expert has noted that:

... states that spend a considerable amount from their own resources for federally aided programs tend to receive more than the national average, whatever their income level. It might be expected that, as a result of the equalization aspects of many grant programs, the poor states would receive the largest per capita federal grants and rich states the smallest. Matching formulas built into several of these programs—particularly for the federal matching of state public assistance expenditures—result, however, in relatively high federal grants. Thus, ... the states that receive the largest per capita assistance grants include some with the highest per capita incomes in the country as well as some with the lowest.<sup>49</sup>

Much less information is available about the allocational principles employed by federal agencies in the distribution of discretionary project grants. However, one recent study has concluded that bureaucrats make some grant awards strategically in order to maintain or expand political support for their program. Only in unusual cases are grants allocated entirely by reference to need criteria. Hence, according to R. Douglas Arnold, it appears that "a substantial proportion of federal funds is devoted to coalition maintenance rather than to solving the most urgent national problems."<sup>50</sup>

The receipt of discretionary grant funds also appears to be conditioned heavily by the grant-seeking activities of state and local governments. Those with better informed staffs, for example, are often considerably more successful in obtaining federal aid.<sup>51</sup> This introduces another nonneed oriented factor into the ultimate allocation of funds.

## INCOME REDISTRIBUTION

Many critics also contend that federal programs have made inadequate progress toward the objective of achieving a more equal distribution of income and life opportunities and the elimination of economic deprivation. They point out, for example, that—despite the growth of federal antipoverty programs and a rising standard of living—the distribution of family incomes has been largely unchanged since World War II. For the past 30 years, the top fifth of families has received somewhat

over 40% of the country's net income, while the bottom fifth has received between 4% and 6%.<sup>52</sup>

Furthermore, national programs intended to improve the lot of the most seriously disadvantaged have not been successful in moving the poor into the economic mainstream. Poverty levels have fallen sharply, but only at the price of increased economic dependency. Efforts aimed at making the poor better able to support themselves have not been effective. Many of the slums of the 1960s remain.

Of course, all analysts agree that the social programs inaugurated or expanded since 1960 have offered benefits to many who received none in the past, and have greatly increased payments and improved services to others. An expansion of the welfare rolls, together with new programs for medical assistance, food stamps, education aid, housing, and job training, have in fact sharply reduced the incidence of poverty. A thorough review by Robert Plotnick and Timothy Smeeding indicates that, in the 1965-1976 period, the percentage of poor persons fell from 10.1 to 6.5% if the receipt of both cash and major in-kind benefits is considered.<sup>53</sup> In 1976 these transfer programs reduced the size of the poverty population from 21.1 to just 6.5% of the national population. These data do suggest a major positive impact.

However, if relative measures of poverty adjusted for changes in national income levels—rather than fixed income standards—are employed, the record is less favorable. On a relative basis, the size of even the post-transfer poverty population has held constant since 1965. Furthermore, no matter what standard is applied, about 20% of the population still lives in *pretransfer* poverty, and this proportion has not been declining. That is, the decline in poverty has been purchased solely by increasing the amount of transfer payments, rather than through enhancing economic opportunity.

Although the reasons are not fully understood, three programmatic factors seem to have contributed to the inability of federal social programs to substantially alter the distribution of income. First, although the level of federal and state income maintenance expenditures has risen sharply, many of these programs are not restricted to the most needy population groups. Social Security and unemployment compensation benefits, for example, are paid out regardless of the income level of their recipients. As *Table I* indicates, in 1974, less than one-third of all social welfare benefits to the poor came from income-tested programs.

Secondly, the "target efficiency" of many other social welfare programs is rather low. In a ten-year

*Table I*  
**THE STRUCTURE OF SOCIAL WELFARE BENEFITS FOR THE  
PRETRANSFER POOR, 1974**

Program Type	Percent of Benefits		
	All Programs	Income-Tested Programs	Nonincome-Tested Programs
Cash Transfers	56.2%	41.8%	62.3%
Inkind Aid	23.0	38.8	16.3
Social Services	4.4	8.7	2.6
Human Resources	16.4	10.7	18.8
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Percent of All Benefits to Poor</b>	<b>100.0%</b>	<b>29.9%</b>	<b>70.1%</b>

SOURCE: Based upon Robert D. Plotnick, "Social Welfare Expenditures: How Much Help for the Poor?" *Policy Analysis*, 5, Berkeley, CA, Summer 1979, p. 284.

summary report prepared by the Institute for Research on Poverty, Robert H. Haveman noted that:

... an important characteristic of the social policy developments from 1965 to 1975 is the inconsistency, inefficiency, and inequality of the set of welfare and income maintenance programs which were either initiated or expanded during this period. As has been increasingly realized, the structure of this set of programs—sometimes generously referred to as an income maintenance system—has major weaknesses. It is built around specific categories of people; hence some poor families are not aided at all. A number of programs have state-determined eligibility requirements and benefit levels; hence, equally poor families of the same structure may be treated quite differently depending on where they live. . . . And, because of the patchwork nature of the programs, there are serious administrative inefficiencies and equally serious inefficiencies in the targeting of benefits on the most needy family units. When held up to generally accepted principles of efficiency and equity, the social policy legacy of the 1965-1975 decade does not score well.<sup>54</sup>

Finally, some critics believe that the emphasis upon in-kind services, education, and job training which characterized federal economic opportunity programs has been misplaced. (In 1974, almost 60% of income-conditioned benefits took the form of in-kind aid or social services and human resources programs, rather than cash payments.) For example, a recent study by Richard H. deLeone for the Carnegie Council on Children stressed the inability of traditional social programs to create an egalitarian society or to greatly improve the life-chances of those born into poverty.<sup>55</sup> Similarly, two major studies by Christopher Jencks and his associates have concluded that past efforts aimed at equalizing the personal characteristics (such as education) known to be related to income have been relatively ineffective in equalizing economic well-being. "If we want to redistribute income," Jencks concludes, "the most effective strategy is probably still to redistribute income."<sup>56</sup>

## EXTERNALITIES

The application of the theory of externalities to the allocation of functions is difficult because the actual geographic range of benefits for many governmental functions is not known. Often only estimates are available. Despite these problems of measurement, however, it appears that the present grant system does not provide aid only for those public services which have an important impact on individuals living outside the borders of recipient states or localities. Instead, the federal government presently provides at least some assistance for essentially all major governmental activities, including those like fire and police protection which, as *Figure 3* suggests, appear to have very few important benefit spillovers beyond the local level of government.<sup>57</sup> This may be justified on externality grounds only if it is claimed that, in a mobile society, most governmental services affect people everywhere.

At the same time, state and local financial contributions to some functions which are very strongly national in their impact remain large indeed. This is true for education in particular, as well as for aid to low income groups. The federal share of outlays for public educational expenditures has been almost constant at a mere 8.5% since the mid-1960s, while in FY 1976, state and local spending for five major public assistance programs was \$13.6 billion, or more than one-third of the national total. On externality grounds, the federal fiscal role probably should be much larger in both fields.

For these reasons, many analysts have proposed a substantial reassignment of functions among the governmental levels. A recent study prepared for the Twentieth Century Fund which emphasized equity criteria concluded that "current programs for health, education, and income security do not reflect a rational division of labor between state and federal governments."<sup>58</sup> It called for national systems of health insurance and income support and a reformulation of federal programs for the support of education.

Secondly, other analysts have concluded that most existing grants for social programs are not based upon the externalities rationale, and do not follow the prescriptions of this theory in their actual design. Charles L. Schultze has noted that:

... many of these grants are a means by which the federal government uses state



*Figure 3*  
**ESTIMATED GEOGRAPHIC SCOPE OF BENEFITS FOR SELECTED  
 GOVERNMENT SERVICES**

Service	Scope of Benefits		
	Local	Regional	National
Fire Protection	X		
Police Protection	X		
Water Distribution	X		
City Streets	X		
Public Libraries	X	X	
Air and Water Pollution		X	
Water Supply		X	
Sewage and Refuse Disposal		X	
Mass Transit		X	
Arterial Streets and Intercity Highways		X	
Airports		X	
Urban Planning and Renewal		X	
Education			X
Aid to Low Income Groups			X
Communicable Disease Control			X
Research			X
Parks and Recreation	X	X	X

SOURCE: George F. Break, *Intergovernmental Fiscal Relations in the United States*, Washington, DC, The Brookings Institution, 1967, p. 69.

and local governments (or in some cases local nonprofit organizations) as agents or subcontractors to produce centrally determined amounts and kinds of collective goods, since, for a number of reasons, principally historical and political, the federal government itself virtually never delivers collective goods or services at the local level.<sup>69</sup>

Hence, he concludes that:

... the paradigm of grants as price subsidies to an independent decisionmaking unit designed to change the incentives it faces is not very useful for analyzing most of the existing social grants . . . . In fact, the contracting paradigm comes closer to the real situation.<sup>60</sup>

Similar and equally authoritative views are offered by James A. Maxwell, J. Richard Aronson, and Edward M. Gramlich, none of whom regard the externalities theory as descriptive of existing grants-in-aid.<sup>61</sup>

Some other analysts have even expressed doubt that ideas about "externalities" and the "public" and "private" characteristics of particular economic goods have much bearing on their actual provision by government, at any level or by any means. Government provides many goods which have few important public characteristics, and neglects others which possess them. In the opinion of Lester C. Thurow, the concept of externalities:

... is simply not a convincing explanation of the provision of most domestic public goods. Once a society gets beyond basic public health measures and communicable diseases, medical care does not generate externalities. Death is the most private of all activities, and an individual's health has no nonmarket economic effects on the general population. Neighborhood externalities certainly exist in housing, but internalizing these externalities does not lead to the types of housing programs that have been legislated. The externalities have

nothing to do with minimum housing standards for each family. Similarly, I find the arguments that education generates externalities unconvincing once one gets beyond elementary education (literacy, etc.). Fire protection is like medical care. Some limited amount of fire protection and code enforcement is necessary to prevent conflagrations, but beyond this a donor has no more interest in his neighbor's fire protection than in his neighbor's fire insurance.<sup>62</sup>

Political scientist Kenneth A. Shepsle shares Thurow's perspective. He points out that:

. . . some externalities are regulated, some are not; some goods with substantial publicness are publically produced or fostered, some are not; some goods with substantial privateness are publically produced or fostered, some are not. . . . The normative role for positive governmental action in correcting market failures provided for by some welfare economists has little to do with actual governmental decisions to intervene or not in market processes.<sup>63</sup>

In short, there is reason to doubt that existing grants-in-aid—or present patterns of functional roles—can be justified or explained by reference to equity theories based on a consideration of economic externalities. Most of these writers suggest that a political, rather than economic, calculus lies at the origin of many public programs.

### Case Study Findings

Many of the case studies suggest why the federal aid system is not oriented strongly toward the achievement of equity objectives and rates rather poorly on equity-based criteria. These reasons are preeminently historical and political. A number of the most important programs were adopted in an era when state policy discretion took political priority over economic redistribution. Although political values may have changed in more recent years, the underlying structure of several of these older programs has not been altered. During the 1960s and 1970s particularly, many new programs were developed with the stated intent of advancing goals relating to fiscal equity. Yet, even in these cases, the political process through which these

programs were adopted was simply incompatible with a high degree of "targeting" or of fiscal redistribution. Funds tended to be dispersed rather broadly.

Finally, the significant reliance upon in-kind services to supplement direct income transfers also can be accounted for in political terms. Programs meeting specific service needs of the disadvantaged have been much more popular than have outright welfare payments. Furthermore, in-kind programs build larger political constituencies than do cash payment programs, because they provide benefits to service suppliers and providers, as well as to recipients.

### STATE FLEXIBILITY

A principal source of fiscal inequities is best understood in terms of the historical context in which some of the most important welfare programs were adopted. An assumption of state primacy was fundamental to the initial development of federal public assistance policy. The relevant provisions of the *Social Security Act of 1935* left a great deal of discretion in the hands of the states. Reflecting the attitudes of the period, both President Roosevelt and key members of Congress believed that public assistance was a state function, warranting little more than a helping hand from Washington.

To this end, the public assistance programs utilized an "open ended matching grant" through which Washington simply reimburses each state for a portion of its costs. This system, originally applied to AFDC, old age assistance, and aid to the blind, also was used for aid to the disabled in 1950 and for Medicaid, the program of health assistance to the poor created in 1965. (With estimated outlays of \$12.7 billion in FY 1980, Medicaid has since become the largest single federal grant.)

Though the system provides very strong protection for "state's rights," there are important deficiencies in this design from an equity standpoint, for it permits the extreme interstate variations in welfare benefits and caseloads. In fact, differences among the states in either their willingness or financial ability to provide for the poor are actually reinforced by federal policy, rather than minimized or eliminated. Thus, in 1976 total welfare spending for each poor resident under five major programs ranged from as little as \$370 in Wyoming to more than \$3,000 in Hawaii. While the Northeast states

spent about \$1,100 in state and local money for every poor resident, the southern states provided less than \$200 in benefits. Yet, because federal aid depends upon the level of state-local expenditures, federal welfare spending in the Northeast was more than double what it was in the south.<sup>64</sup>

These deficiencies in open-ended matching grants were readily apparent even in the 1930s. V. O. Key, Jr., the author of an early book on grants administration, commented that "if national policy is directed toward a relatively uniform level of service over the country, the percentage grant [as he termed it] must be rejected." In 1937, as he pointed out, old age assistance payments ranged from a monthly average of \$4.08 in Mississippi to \$31.37 in California.<sup>65</sup>

Yet, despite these early concerns, real and concerted efforts at welfare reform were very late in coming. The assumption of state flexibility has continued to hold some attraction, but the highly variegated welfare system also presents serious obstacles to its own reform. Even if greater uniformity is accepted as a desirable goal, any change would tend to impose major costs on one or more of the key participants: the national government, some state governments, or some recipients. Either federalization would be enormously expensive, or some set of interests would be harmed.

Rather than reexamine the earlier handiwork, then, over the years Congress and the states have followed a pattern of incremental program enhancement. Congress has been motivated more by a desire to provide some periodic fiscal relief to the states than by a concern about equity. Such policy-making rationale is not the stuff of fundamental equity-related alterations.

Even Presidents, though despairing of welfare inequities and inefficiencies as well as costs, generally have been reticent to assume—and ultimately have been unable to complete—the task of reform. Though the federal welfare role has grown through eight administrations, only two Presidents—Nixon and Carter—have openly proposed thorough revisions. Neither was successful.

Today, however, it is primarily the fear of assuming new and massive federal costs—and not a philosophical commitment to state primacy in welfare—which acts as a constraint on a greater (or total) federal role in the welfare function. Remedying existing inequities could be a very expensive proposition. Although the Carter Administration initially adopted the goal that a reformed welfare system

should have "no higher initial cost than the present system," this seems clearly unattainable. Congressional Budget Office estimates put the additional cost of Carter's initial reform plan at approximately \$17.2 billion. Every other proposal advanced has been subjected to charges of excessive cost, inadequacy, or inequity.

Although AFDC (and Medicaid) have been largely impervious to reform, there have been more limited successes. The Supplemental Security Income (SSI) program proposed by President Nixon and adopted by Congress in 1972 established the first federalized guaranteed income program, though one limited to the aged, blind, and permanently disabled. SSI also advanced equalization objectives, in that its minimum benefit provisions resulted in significantly higher payments to half of the states (particularly those in the south), and its uniform eligibility standards resulted in the qualification of many more additional recipients than were eligible under state plans. At the same time, the flexibility of state systems was by no means eliminated, since the states which had been providing above-average relief checks to the aged poor were required to preserve previous benefit levels through a system of state supplements. These features introduced substantial administrative complexities into the system and preserved some of the previous inequities. Thus, "the SSI program contains neither simple eligibility criteria nor uniform payment amounts. It was neither historically nor politically possible for such a program to be instituted."<sup>66</sup> SSI might therefore be regarded as "the exception that proves the rule."

Though not a grant-in-aid, the federal-state unemployment insurance (UI) system also exhibits similar deficiencies when judged from an equity standpoint, and for similar reasons. Also created by the Social Security Act of 1935, UI leaves most of the crucial policy decisions on eligibility and benefit levels to the 50 states. Hence, as in welfare, 50 separate systems exist.

Again, the political climate of the 1930s explains this outcome. While many social workers, labor intellectuals, and reformers favored a European-style national system with one set of benefit standards, many businessmen and their political allies demanded flexibility, ruling out national uniformity. Furthermore, the Supreme Court was expected to be hostile to any fully nationalized system. Hence, although responsible officials within the Roosevelt Administration—including the Presi-

dent himself—would have preferred a uniform program administered on a national basis, their sense of pragmatism led them to propose a strongly decentralized approach. However, rather than an open-ended grant, UI employed the device of a tax credit—previously found to be constitutional by the Supreme Court—to encourage state participation. Roosevelt's bill included no benefit standards and almost no provisions for state compliance.

In basic outline, this system has been retained until the present day. Unemployment insurance, like the welfare programs, has proven to be extremely resistant to proposals for the standardization of benefits through federalization. Recent political rhetoric surrounding the issue of "national responsibility" for the unemployed versus "states' rights" to determine eligibility and benefit levels still sounds much like that of the New Deal period. Despite several Presidential proposals for minimum benefit standards, many analysts believe that Congressional acceptance of federalization is very unlikely. In the view of one specialist, "It's 50 years down the road before we have federal standards."<sup>67</sup>

## DISPERSION OF FUNDS

The widespread dispersion of grant funds—whether formula or project—across much of the nation, rather than a "targeting" of allocations to the most needy jurisdictions according to redistributive criteria, also can be accounted for in political terms. Political support is maximized when funds are scattered widely. Regardless of the stated intent of a program, a Congress responsive to small geographic constituencies has a strong incentive to provide benefits to a large number of areas, rather than concentrating them in the few most needy. At times, this strategy has been essential to the passage of controversial new legislation.

The adoption of the *Area Redevelopment Act* (ARA) in 1961 provides a good case study. Six years passed between the initial introduction of depressed areas legislation by Sen. Paul H. Douglas (D-IL) and its final signing by President John F. Kennedy. Douglas garnered the support he needed to see his proposal enacted through a lengthy exercise in political coalition-building.

Douglas, not surprisingly, was concerned especially with providing development aid to a particular area in his own state of Illinois. A reelection

campaign trip had alerted him to the need. But, to gain passage of the bill, he needed many allies.

The major strategem utilized by the ARA's proponents centered on providing aid to rural as well as urban areas of underemployment. The initial bill, aimed at dealing with areas of industrial decline in the north and east, was modified in response to the concerns of members from the south that their poverty areas also required assistance. Hence, a revision provided loans to some 300 poverty-stricken rural counties. Subsequently, these funds were expanded further. These changes were politically decisive, in that they made large inroads against the "conservative coalition" of Republicans and southern Democrats which had thwarted many other social welfare measures. At the time of the final House vote, the "story was told eloquently by the large map placed by the bill's sponsors in the Speaker lobby, just off the House floor." The map showed Congressmen exactly "how many of their districts would be in line for federal help."<sup>68</sup>

These political pressures for expansion continued to work after the ARA was enacted. Roger H. Davidson, who studied the program in detail, has commented that:

... once launched, the Area Redevelopment Administration was subjected to a variety of pressures for designating a large number of communities as 'depressed areas' eligible for aid. Farm and labor interests, as well as legislators who had voted for the act, viewed the program as a new form of the traditional pork-barrel. As a result, no less than 1,035 countries—one-third of the national total and containing one-sixth of the nation's population—were eventually declared eligible for aid.<sup>69</sup>

Although the ARA was short lived, its successor, the Economic Development Administration (EDA), has had a similar history. Over time, the EDA's mission—and its political constituency—have expanded steadily. A series of amendments have added several new aid programs and liberalized eligibility requirements. By 1974 nearly one-half of the 3,000-odd counties had received some assistance under the ARA, the EDA, or both. As of 1979, fully 84.5% of the nation's population lived in one of the 2,230 areas designated to receive EDA funds. This total included 823 areas which did not

meet the current eligibility criteria, but still participated because of a legislative ban on "de-designation" instituted in 1970. In short, a program initially intended to assist a small number of depressed areas has grown in less than 20 years to encompass most of the nation.

A similar pattern appeared in the creation of a series of multistate economic development commissions under the *Appalachian Regional Development Act* (ARDA) and Title V of the *Public Works and Economic Development Act* (PWEDA), both adopted in 1965. The Appalachian program was triggered by a request from the Governors of nine neighboring states for federal help following serious flood damage to the Cumberland Valley in March 1963. A Presidentially appointed commission drafted a proposal for a continuing, comprehensive attack on Appalachian poverty through the creation of a joint federal-state regional planning commission.

The bill was approved promptly by the Senate, and the Democratic landslide in November 1964 assured its ready acceptance by the House. *Whether* the program should be adopted was not a serious issue; *who* should benefit was. In the 89th Congress, the focus of attention was not on the Appalachian program proper, but rather on how similar assistance might be offered to the northern Great Lakes states, the Ozarks, and New England. In response, the Administration promised that the PWEDA, then being written, would provide general authority for the creation of additional regional commissions. These have grown in both number and size in the intervening period. By early 1979, nearly the entire coterminous United States was served by one of these organizations.

The political dynamics surrounding federal aid to elementary and secondary education have been quite similar. In this field as well, supposedly redistributive programs have had only a modest redistributive impact on governmental finances. Political considerations have been paramount; equity considerations have placed a distant second.

The first major program of federal aid to education, Impact Aid, was adopted in 1950 in response to a problem of fiscal equity. Large federal installations, such as military bases, place additional students in the public schools without contributing to the local tax base, since federal property is tax exempt. Although proposals for general federal aid to schools had been rejected repeatedly by Congress, Impact Aid was accepted as a system of pay-

ments in lieu of taxes closely related to national defense.

Since their initial passage, the Impact Aid laws have been popular (but controversial) programs. The number of eligible districts has risen steadily, from 1,172 in 1950-51, to 3,821 in 1959-60, to over 4,500 by 1970. In the latter year, 385 of the 435 Congressional districts received some funds. The program's immense political appeal in Congress and among educators has been responsible for this growth. Yet, the program also has been attacked by every President from Eisenhower to Carter. All have criticized its massive distribution of funds without reference to need and its loose definition of "federal impact." One study found that Impact Aid has no fiscal equalizing tendencies—despite its purely economic rationale and often actually serves as a large subsidy to the more wealthy districts.

Aid to the educationally disadvantaged (ESEA Title I), though an antipoverty program, also spreads funds very widely. The politics of coalition-building limited the extent to which equalization could be achieved, in that many liberal Congressmen placed a higher priority on funding for their own districts than on the need for a clear fiscal rationale. Under the initial 1965 formula, a school district needed only 100 children of 3% of its enrollment in poverty to qualify for assistance. Consequently, 95% of the nation's counties were eligible. Furthermore, since the formula takes into account the magnitude of state aid to education as well as poverty, it provides larger amounts of aid to some of the wealthier states in the north. Counties with the heaviest concentrations of low income children receive comparatively small grants per child. Despite this, ESEA Title I appears to be markedly more redistributive than most other education programs.

In sum, the political process behind the creation and allocation of funds in many programs supposedly aimed at fiscal redistribution is surprisingly reminiscent of the old "pork barrel." A targeting of funds to the most needy areas has been found to be quite incompatible with the development of a supportive political coalition.

## THE SERVICES STRATEGY

The federal government has never embarked upon a large-scale program of out-and-out income redistribution on behalf of the poor as a general

group. Furthermore, it is only in very recent years that such programs have been seriously proposed. General assistance remains solely a state and local responsibility—and few of these programs are very large. On the other hand, the national government has adopted a great many programs meeting *essential human needs* (for food, shelter, medical care, etc.) and *promoting economic opportunity* (through education and job training, etc.) while limiting income transfers to *especially deserving groups* (the unemployed, aged, widows, dependent children, disabled, blind, etc.). This might be described as a “jobs and services” or simply “services strategy,” since various social and human services play an important role in it.

The case studies suggest that this “services” strategy has a firm political foundation for two reasons. First, service-oriented programs have been far more acceptable to both public officials and the general public than have direct cash payments. Second, service-oriented programs have been supported by a broader range of interest groups than cash benefit programs. While cash payments directly aid only their recipients, services programs provide some benefits to service suppliers, providers, and those involved in the delivery system at all levels of government. These groups often have played important roles in the creation or expansion of service-oriented programs.

The first point is illustrated by the origins of federal social welfare policy, during the New Deal. Jobs, not income redistribution, were the major issue of the time. Roosevelt’s concern with poverty tended to be largely particularistic and Depression-oriented. In other words, while the President, no doubt, was sympathetic to all who suffered from poverty, his primary concern was with the peculiar mass poverty of the Depression. In all New Deal programs, the primary objective was economic recovery, and it was expected that once the economy was functioning, the need for large-scale relief would cease.

Although the federal relief effort became very extensive, the focus throughout was on getting the unemployed back to work. Public jobs were created under the Civilian Conservation Corps, the Public Works Administration, and the Civil Works Administration. While funds under the Federal Emergency Relief Act could be used for either “direct relief” or “work relief,” federal administrators showed a definite preference for the latter as a means for protecting the “self-respect” of re-

ipients. Under the early Works Progress Administration (WPA), by far the largest of the relief efforts, the federal government provided only work relief, while the states were required to make general relief payments to the “unemployables.”

Although the *Social Security Act* inaugurated a permanent federal role in the welfare field, political attention at the time was almost exclusively on the special needs of the elderly, a group regarded with special sympathy and whose interests had found vocal expression with the Townsend Movement. AFDC was adopted without much discussion as simply one minor title of an omnibus bill. It, and the other public assistance titles, were expected to be purely temporary measures, to phase down with economic improvements and the growth of the more favored programs of social insurance. Legislators had no idea that this minor program of “widows’ aid” would one day be the backbone of a new, permanent, and very large welfare system.

The same sort of orientation reappeared during the 1960s, when national attention focused once again on the problems of the poor. Federal officials tried to cut the size of the welfare rolls during the War on Poverty period, not increase them. It was hoped that an improvement in education, area development, employment training, health, and social services would permit the poor to become self-sufficient in the private enterprise economy. “Rehabilitation, not relief” was a slogan of the Kennedy Administration, while “economic opportunity” became the watchword under President Lyndon Johnson. As was true in the 1930s, poverty was expected to wither away—within a decade, according to one federal plan—and, once again, there was little overt attempt to redistribute income from the upper (and middle) income brackets to the poor.

The history of the food stamp program illustrates both a preference for services over cash programs and a certain degree of involvement by service suppliers and providers—in this case, farmers and the agricultural lobby.

Of all human necessities, food is perhaps the most vital. The federal government now operates ten separate food-related, need-determined programs, at a total estimated cost of \$8.8 billion in 1977. One of these programs, Food Stamps, accounted for 62% of these expenditures.

Throughout much of their history, the fate of these nutrition programs has been intertwined with questions of agricultural policy. The first food

program, authorized by the *Potato Control Act of 1935*, was in fact concerned only marginally with poor relief. Although it permitted the Secretary of Agriculture to distribute surplus farm products to the Depression poor, its primary aim was not to meet the nutritional needs of recipients, but rather to support farm prices. Agriculture was also the primary concern of the first Food Stamp program, which operated from 1939-1943.

In the 1950s and 1960s, these two interrelated objectives became more distinct, and debate over the establishment of a permanent Food Stamp program became a heavily partisan issue. Republican opponents argued that Food Stamps was more properly a welfare than agricultural program and opposed it, in part, on this basis. In general, they favored exclusive reliance upon the distribution of surplus commodities at the state and local level. Democratic Food Stamp advocates admitted that the well being of the poor, rather than of farmers, was their primary concern, and President Johnson embraced it as "one of our most valuable weapons in the war on poverty." Where AFDC failed to elicit Administration support, Food Stamps succeeded.

Although the Food Stamp bill had strong backing among urban Democrats, it was opposed by a nearly unified Republican party, and many rural and southern Democrats as well. Passage seemed improbable. But in Spring 1964, an important wheat-cotton bill came before the House. The measure was crucial to rural representatives and their constituents, though it was hardly a vote-getter for the urban members. Precious few Agriculture bills were. Food Stamps, however, was a major exception.

By late March, the terms of a trade were becoming obvious, if still only tacit. Urban members were willing to vote for wheat-cotton if rural members would vote for Food Stamps. On this basis, both measures passed the House in April 1964 within a few hours of each other, thus providing a textbook example of successful "logrolling."

Once established, Food Stamps took on a life of its own, separate from agricultural policy, but also distinct from the other welfare programs. During the 1960s, political figures who wondered why AFDC had grown "too big" were worried about why Food Stamps remained, for many years, much "too small." Indeed, the "politics of hunger" escalated into a major national concern following a series of well publicized Congressional investiga-

tions, as well as a television documentary aired in 1968. Among both lawmakers and the general public, the hunger issue evoked a level of sympathy which public assistance never received. One welfare analyst explains the difference:

Hunger is [viewed as] quantitatively different from poverty in that it is assumed that food is so crucial to people that they will do their best to get food and avoid starvation. Therefore, people are clearly desperate and deserving if they can't get enough food, while poverty is much more likely to be seen as a condition which is not necessarily one of extreme destitution, and which may well be a chosen condition and thus not one to have met with extensive sympathy.<sup>70</sup>

This separate treatment continued into the 1970s. While rejecting President Nixon's "Family Assistance Plan" proposals for welfare reform, Congress greatly expanded the coverage of and federalized the operation of Food Stamps. The 1971 amendments authorized the Secretaries of Agriculture and HEW jointly to establish uniform federal standards for participation. These actions placed the decision making aspect of the program squarely in Washington's hands, leaving the participating states as mere administrative distributors. Finally, the 1973 amendments mandated that all counties across the nation offer Food Stamps as of July 1974.

These were crucial steps. Food Stamps is now the only one of the five major welfare programs which is wholly federally financed. Consequently, interstate spending disparities per recipient are much smaller than those for AFDC, Medicaid, SSI, or general assistance. Regardless of their state of residence and whether or not they are on welfare, families qualify for participation if their income (after a series of deductions) is less than a nationally determined standard.<sup>71</sup>

A second result of these actions—and of the 1974-75 recession—was that Food Stamps joined the welfare explosion. Between the inauguration of Richard Nixon and the election of Jimmy Carter, federal outlays grew from \$228.8 million to \$5.3 billion, while the number of participants rose from 3.2 to about 18 million. What is striking is that most of this growth can be attributed directly to federal policy choices. AFDC grew out of control

because of its open-ended entitlement features, but Food Stamps grew mostly "on purpose."

Although Food Stamps has found political favor as a hunger-oriented rather than purely welfare program, the distinction may in fact be extremely superficial. There is reason to believe that Food Stamps functions in practice largely as a general cash supplement to its recipients. While the program fills major gaps in the welfare system, current evidence suggests that it does not have much impact on the diets of poor families.<sup>72</sup>

In the case of education, too, there is an important difference between officially stated objectives and actual results. Federal aid to elementary and secondary schools was justified in 1965 primarily on antipoverty grounds. Yet, an historical review suggests that the concern with poverty was mostly adventitious. The adoption of the program culminated many decades of work by professional educators and individual Congressmen to enact a program of general aid to public schools. Rhetorical emphasis upon the benefits of the program for disadvantaged children, rather than for school systems, broke the ancient impasse over the issue of federal assistance to parochial schools. The bill was the first to be supported by both of the principal antagonists on the church-state question, NEA and the U.S. Catholic Conference. Their agreement led directly to its enactment.

Despite its antipoverty objectives, many critics believe that the program is widely regarded as a de facto general support grant to public schools, and both its allocation formula as well as formal implementation and evaluation studies lend credence to these claims. As indicated above, funds are dispersed very broadly without much close association to the number of poor students. And, although the money certainly benefits the school districts which receive it, it is not clear that it has much improved the life chances of disadvantaged students.

## Conclusion

Existing grant-in-aid programs have not been a very effective instrument in achieving national equity goals. In general, the grant-in-aid system is not strongly targeted to the least advantaged states or localities, has not substantially altered the distribution of income or economic opportunity, and has not been consistent with theoretical prescriptions based upon externalities criteria.

These outcomes make sense in political terms,

given the histories of many federal domestic programs as revealed in the case studies. New Deal welfare programs emphasized state autonomy over national standards and have been very difficult to reform. Many later grants-in-aid, including some which were ostensibly redistributive in intent, have scattered funds widely in an attempt to build supportive political coalitions. And, in recent years, there has been a preference for in-kinds benefits and social services, rather than direct cash payments to the poor. Programs of the former type generate more interest group support and have much more popular appeal than does "welfare." Regardless of their effectiveness as redistributive tools, they have a firm political base.

These observations cast doubt on conventional political science distinctions between "distributive" and "redistributive" policies. Despite redistributive rhetoric, many social welfare programs exhibit the same political patterns common to old-fashioned "distributive" or "pork-barrel" programs. Logrolling, either in its implicit or explicit forms, has been the major way of building supportive political coalitions for new enactments and in expanding previously enacted programs.

Moreover, the extensive reliance upon intergovernmental mechanisms in the provision of aid to the disadvantaged has made redistributive goals difficult to achieve. The claims of state autonomy in administration and policy, as well as the fiscal costs of reform, have prevented the development of uniform benefit standards and eligibility provisions. Although the federalization of each of the major welfare programs studied—AFDC, SSI, unemployment insurance, and Food Stamps—has been proposed, only in the latter instance has it been fully achieved.

Thus, while theory suggests that the redistribution of fiscal resources based on equity criteria should be a major goal of national policy, political considerations have limited actual achievements. Neither the general public, nor political leaders, have steadfastly supported large-scale, well targeted fiscal redistribution measures. As Laurence E. Lynn, Jr. has noted, while:

... significant progress has been made in reducing poverty, ... the policy making process that produces it ... is probably more concerned with *how* it is reduced than *whether* it is reduced.<sup>73</sup>



# ECONOMIC EFFICIENCY AND ADMINISTRATIVE EFFECTIVENESS

## Theory

The concepts of economic efficiency and administrative effectiveness provide two additional inter-related criteria for assessing the assignment of functions and operation of intergovernmental programs. As described in the Commission's 1974 study:

... the economic efficiency criteria directs that functions be allocated to jurisdictions that are able to perform them at a reasonable cost and at a level of effectiveness acceptable to local citizens. This involves (a) economies of scale, (b) public sector competition, and (c) public sector pricing.<sup>74</sup>

Administrative effectiveness, on the other hand:

... deals with the technical and legal dimensions of functional assignment. A successful assignment policy must insure adequate performance. Hence governments should have the requisite administrative and legal capabilities to perform assigned responsibilities. This assignment criterion has subcomponents concerning appropriate legal authority and geographic jurisdiction, management capability, and the need for assigning functions to general-purpose governments in the context of shared intergovernmental powers.<sup>75</sup>

For the reasons described in the introductory section of this chapter, an item-by-item application of these subcriteria to national-state-local relationships is conceptually difficult, and will not be attempted here. There is, in fact, no administrative theory of federalism, in the sense of a coherent model of how a federal system should operate from an administrative perspective.<sup>76</sup> While organizational decentralization has a comparatively clear administrative rationale, federalism itself does not. Moreover, few theorists would attempt to justify the existence of the present 50 states—varying widely in size, with fixed boundaries—or the hodgepodge of local governmental jurisdictions on the basis of any sort of managerial criteria.

Still, efficiency and effectiveness are key values, and the elements of an administrative theory of

grants-in-aid does exist within the federal context. One of the most important arguments for the use of grants-in-aid views them as an alternative to the excessive bureaucratization, inflexibility, insensitivity, and diseconomies of scale that might be associated with direct national provision of domestic services. Because of America's large population size and territorial extent, as well as its diversity, a truly national government would be gargantuan. V.O. Key, Jr. had such thoughts in mind when he wrote, in 1937, that:

... the governance of a nation of continental proportions is a matter for which no simple blueprint and specifications are available. The grant system builds on and utilizes existing institutions to cope with national problems. Under it the states are welded into national machinery of sorts and the establishment of costly, parallel, direct federal services is made unnecessary. A virtue of no mean importance is that the administrators in actual charge of operations remain amenable to local control. In that way the supposed formality, the regularity, and the cold-blooded efficiency of a national hierarchy are avoided.<sup>77</sup>

In Morton Grodzins' last work, he also argued that grants-in-aid (chiefly those of the 50s) helped maximize administrative effectiveness and economic efficiency. He stated that the grant technique:

... made possible the allocation of responsibilities between the levels of government according to criteria of administrative and fiscal efficiency. These criteria can be simply stated: the national government assumed partial responsibility for establishing minimum standards of service, because the national government possessed superior fiscal resources and was concerned with the general welfare of residents of all states. The states (and their political subdivisions) assumed primary responsibility for administration, because they were in the better position to interpret and meet local needs.

Hence, he concluded, grants "have avoided both overweening centralization and the inadequacy of

complete decentralization in large-scale programs."<sup>78</sup>

In the traditional view, then, grants-in-aid offer a simple, harmonious mechanism for the pooling of federal and state efforts, with each level contributing to objectives shared by both. Most early observers described intergovernmental administration as "cooperative," "collaborative," and as a "partnership" among officials engaged in the "sharing" of public service responsibilities. Grodzins made this quite explicit when he wrote in 1961 that:

Federal, state, and local officials are not adversaries. They are colleagues. . . . The American system is best conceived as one government serving one people.<sup>79</sup>

A certain degree of federal administrative control was not regarded as inimical to this partnership, however, and most regarded it as essential. George F. Break has commented that:

. . . the grantor government, since it is paying for benefits received, is entitled to ask that its funds be used efficiently and to exercise some controls over the grantee's operation of all supported programs . . . . Since the public benefits to be paid for in this case accrue jointly to the citizens of two different levels of government, the responsibility for the effective operation of the programs should also be shared jointly.<sup>80</sup>

While many of the 19th century land and cash grants had few conditions attached to the use of funds, and almost no plan for federal administrative supervision and control, these were developed gradually—and their creation was generally applauded. Given the low standards which once prevailed in many states, the combined impact of federal planning requirements, audits, civil service standards, and organizational prescriptions was generally judged to be advantageous to the states themselves, as well as to Washington. The preface to the first comprehensive study of grant administration published in 1937 indicated that:

. . . the evidence is clear that the influence of the federal agencies has almost always been on the side of improving administrative standards. That the administration [by

the states] of federally aided activities is generally better than that of nonaided activities can hardly be disputed.<sup>81</sup>

By 1955, when the Kestenbaum Commission reviewed the situation, it declared that the intergovernmental grant had "matured" as an instrument of "cooperative government":

Its elements are well established; the objectives are defined; apportionment and matching formulas are laid down; conditions, minimum standards, and sanctions are prescribed; and provisions are made for administrative supervision. The maturing of the grant as a means of stimulating and shaping particular programs, as distinct from a subsidy device, is reflected not only in increasing legislative attention to conditions, standards, sanctions, and methods of supervision, but also in the evolution of national administrative machinery and procedures. The conditions attached to grants have not remained mere verbal expressions of national intent; national agencies have generally had funds and staff to make them effective.<sup>82</sup>

In summary, the grant-in-aid program—especially the specific-purpose categorical grant, with its conditions and controls—was traditionally regarded as a desirable arrangement from the standpoint of both economic efficiency and administrative effectiveness. It seemingly embodied the best of two worlds, combining the virtues of decentralization and centralization through shared responsibility. As Grodzins described it, the grant was in fact "an admirable invention for the promotion of collaborative federalism."<sup>83</sup>

## Assessment

Despite these earlier, generally positive views, more contemporary assessments of federal administrative practices—and of the operation of intergovernmental programs in particular—have generally been very critical. The national government has lost much of the reputation for good management it enjoyed in times past, and most recent studies of intergovernmental management and program implementation have identified many serious deficiencies. Furthermore, despite repeated efforts to simplify and decentralize intergovernmental programs through grant consolida-

tion and other reforms, administrative tensions appear to have risen and the federal "partnership" of earlier years has largely broken down.

Press accounts, the statements of public officials, and the rhetoric of political candidates are now filled with references to federal program failures, waste, inefficiency, disorganization, red tape, and mismanagement, while opinion polls show that these criticisms are generally accepted by the public-at-large. Consequently, opposition to the practice, if not the principle, of "big government" is rising. The participants in a recent National Science Foundation workshop observed that

... in stark contrast to the overall increase in taxes and expenditures for public services, gross indicators of output in the areas of educational achievement, crime, upward mobility, drug abuse, unemployment, health, and housing do not show marked improvement. This disjunction between input and output growth would appear to be at the root of the so-called popular "tax revolt."

Surveys indicate that the major symptom of this tax revolt is the dissatisfaction of people from all walks of life with inefficiency and waste in government programs. People believe that the public sector could cut revenue and staff by a fifth or more without reducing services, and that government could increase services without imposing additional taxes.<sup>84</sup>

Despite journalistic and political tendencies toward hyperbole, many of these criticisms are well founded in the view of governmental experts. For example, Joseph S. Wholely and his associates at the Urban Institute—specialists in the evaluation of governmental programs—have concluded that the typical federal program is *not* being managed effectively.<sup>85</sup> And Alan K. Campbell, the Director of the Office of Personal Management and a distinguished contributor to the field of public administration, has asserted that "a good manager in the federal government finds it tough to manage because he really does not have the tools to do the job."

Although much of the management criticism centers on the bureaucracy, the reputations of both the President and Congress also have been tarnished. The ability of a President to guide the

sprawling agencies assigned to him under the executive power is increasingly doubted, while Congress seems to devote far too little attention to the oversight of existing programs and too much to the creation of more new ones. Few programs seem to be evaluated adequately, and—regardless of the outcome of performance evaluations—very few are ever terminated. While the past 15 years have seen a host of managerial reforms—including planning-programming-budgeting, management-by-objectives, the federal assistance review, the Congressional budget process, departmental reorganization efforts, zero-base budgeting, and civil service improvements—high levels of efficiency and effectiveness have not been achieved.

The origins of these problems are multiple, of course, but many appear to be rooted in the patterns of politics and policymaking. In the view of many contemporary analysts, much federal ineffectiveness and inefficiency is less the consequence of poor administrative supervision, staffing and organization than of shortcomings in the initial legislative design. For example, Wholely and his associates identify poorly defined statutory objectives and a lack of knowledge as to what activities would lead to the remediation of social problems as among the key obstacles to effective administration.<sup>86</sup> These are policy, not strictly management, concerns.

Many other expert analysts contend that politicians devote too much attention to the identification of lofty national goals, rather than the consideration of the necessary means for achieving them. Consequently, many federal initiatives seem doomed to be ineffectively administered—or "implemented." This concern dates back to the legislative outpouring of the mid-1960s. At the end of the Johnson era, James L. Sundquist observed that:

... in the enactment of the new program of federal assistance, scant attention was paid to the pattern of federal-state-local relations that was emerging. At every level—in the executive department, in the White House, in the Congress—the concentration was on the substance of the legislation; the administrative language was inserted almost incidentally. "We have no organizational philosophy, only a program philosophy," one high federal official put it.<sup>87</sup>

More recent commentators agree. David R. Mayhew observes that Congress often adopts essentially “symbolic” legislation, or addresses problems which have been poorly analyzed. It—like the general public—has a penchant for the “blunt, simple action” as a means for solving very complex problems. Hence, “if it is widely believed that spending money will ‘solve social problems,’ then Congress will spend money.”<sup>88</sup> Similarly, Thomas Anton has suggested that most grant programs “can hardly be said to be ‘designed’ at all; they are just passed.”<sup>89</sup> His research and observation suggest that political advocacy, rather than thoughtful analysis, is the major source of new programs, with pragmatic political considerations—including a desire to “do something” by distributing money—outweighing theoretical considerations of ends and means.

Implementation analysts have devoted special attention to the difficulties involved in the execution of intergovernmental programs. They note that administrative links between Washington, its field offices, the states, and localities can create very long “chains of command,” as *Chart I* illustrates. Hence include many possible points for delay, disagreement, or misunderstanding. Within any one governmental unit, centralized control over budgets, personnel, purchases, and organization can be used to ensure a certain degree of compliance and coordination. However, subnational governments are fully independent administrative and political units, with their own personnel procedures, budgetary systems, and so forth. Federal control thus is limited to the issuance of program regulations and guidelines, together with the decision to offer and the threat to withhold funds. Comparatively weak fiscal incentives, then, must substitute for a unified administrative hierarchy.

Philip Monypenny was one of the first to describe these special managerial problems associated with grant programs. In his prescient 1960 article, he noted that:

... the introduction of federal aid administration imposes another administrative and legislative layer, and to that extent dilutes responsibility, slows action, and increases the necessity of documentation.<sup>90</sup>

Yet, as more recent analysts stress, the piling-on of regulatory conditions does not give federal agencies real control over state-local actions. Allen Schick comments that:

... despite the mountains of paperwork and legions of federal watchdogs, a state or local government is less subject to federal discipline than is an ordinary federal agency.<sup>91</sup>

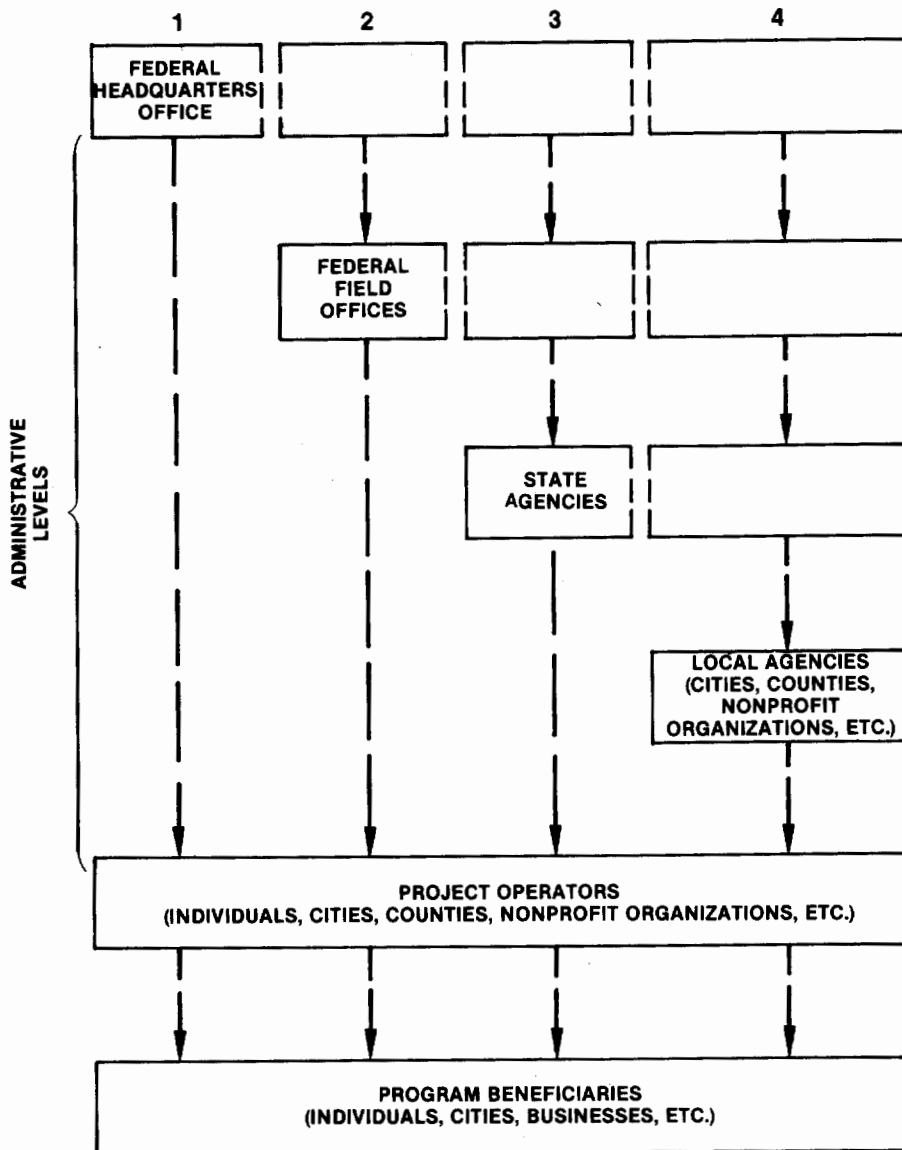
Thomas Anton suggests that most federal agencies must rely on statements of verbal compliance with Washington’s goals. Thus, “federal knowledge of what actually happens to federal dollars in lower-level systems ... remains a function of what lower-level officials are willing to report—occasional General Accounting Office (GAO) or scholarly reports excepted.”<sup>92</sup> Richard P. Nathan has stated similar conclusions in blunt terms. Often, he contends, federal agencies “simply do not know” what use is being made of federal funds:

Not only do they lack sophisticated control mechanisms with which to implement grandiose grant plans, they simply do not know what is being done. Even if they have information about the allocations to major functional areas by recipient jurisdictions under a particular grant program, they are likely to have relatively little information about specific programmatic uses of these funds and even less information about the effects and effectiveness of the dollars spent.<sup>93</sup>

Although, as Nathan believes, this lack of fiscal control helps maintain the openness and localism of the system, it also can frustrate the achievement of national objectives. To many other critics, the grant-in-aid strategy is inordinantly complex, bolsters “buckpassing,” and is prone to failure. Hence, Walter Williams suggests that the extensive sharing of responsibility has created a “most uneasy partnership” in which “the negative power of each partner to block or harass is much stronger than the positive power to move in desired directions.”<sup>94</sup> Many implementation experts, including Pressman and Wildavsky, conclude that simple, direct programs are usually more effective than complicated intergovernmental schemes requiring high levels of cooperation and coordination.<sup>95</sup>

Such implementation difficulties may reduce the efficiency and effectiveness of *any* particular grant program. But two other trends of the past 15 years have added to intergovernmental administrative complexities. First, implementation problems have been exacerbated greatly by the rising number of

*Chart 1*  
**ADMINISTRATIVE LEVELS USED IN PROVIDING ASSISTANCE TO PROGRAM BENEFICIARIES**



SOURCE: Comptroller General of the United States, *The Federal Government Should But Doesn't Know the Cost of Administering Its Assistance Programs*, GGD-77-87 Washington, DC, U.S. General Accounting Office, 1978, p. 3.

federal assistance programs. *Every* field of federal involvement is now marked by serious programmatic fragmentation.

From Washington's standpoint, this proliferation of interrelated aids is disadvantageous because it:

...tends to dissipate federal leverage. The federal government can exert influence over state and local decisionmaking through the device of categorical grants when its efforts are concentrated in a reasonable number of areas, but by trying to push and pull state and local budget allocations in hundreds of directions at once, the various efforts to some extent neutralize each other, exhaust the limited capacity of local officials to administer complex programs, and generate mountains of unread reports. . . . The proliferation defeats the very purpose of categorical grants. Funds are spread too thinly over too many programs; control over the use of the funds becomes increasingly difficult to exercise; red tape and delays abound.<sup>96</sup>

From the state and local standpoint, the jungle of programs poses serious obstacles to the effectiveness and efficiency of their own management processes. Hence, as George F. Break has commented recently: "Anyone evaluating the intergovernmental grants system as a whole comes inevitably to the conclusion that it is badly fragmented and needs some major overhauling."<sup>97</sup>

A second important trend over the past 15 years has been the increasing use of the federal regulatory "stick" in addition to the "carrot" of subsidy. The administrative requirements attached to (or in some instances supplanting) federal aids have become ever more numerous and exacting. From the state and local standpoint, the burden is increasingly onerous and intrusive.

This pattern first emerged in the mid-1960s. James L. Sundquist identified a shift during this period from federal programs intended to help states accomplish *their* objectives to ones which used states (and their localities) to accomplish expressly *national* purposes. These programs required far greater national control over program content and management.<sup>98</sup> However, the policy changes of the 1960s were but modest harbingers of things to come. First, all grants-in-aid now carry

with them a variety of "across-the-board" requirements dealing with such questions as civil rights, environmental impact, citizen participation, labor and procurement standards, and so forth. Second, several major fields have seen an evolution from relatively unrestricted subsidy programs to much more stringent regulatory enactments. Indeed, in some areas the shift has been dramatic enough that grants may be regarded as simply the "sweeteners" which make coercive regulatory provisions more politically palatable.<sup>99</sup> Daniel J. Elazar has commented that, by the late 1970s:

... we had reached the point at which the states were being excluded by federal preemption from fields that until relatively recently were considered their exclusive prerogative. . . . [W]e have moved to a system whereby it is taken as axiomatic that the federal government shall initiate policies and programs, shall determine their character, shall delegate their administration to the states and localities according to terms which it alone determines, and shall provide for whatever intervention on the part of its administrative agencies as it deems necessary to secure compliance with those terms.<sup>100</sup>

In some cases, these new, much "tougher" and more intrusive federal requirements call into question the traditional legal characterization of the grant as a limited, purely voluntary instrument of federal-state-local cooperation. Although the provisions of the *Health Planning Act* have been upheld by the federal judiciary as an appropriate exercise of the Congress' taxing and spending powers, one expert notes that the law:

... intrudes upon state and local operations to a greater degree than almost any other grant program. It virtually mandates the passage of legislation by state or local governments. The consequences of a state's action not to comport with the *Health Planning Act* go far beyond simple termination of assistance under one program but go to all health programs within a state. Withdrawal of federal funds for failure to comply with the *Health Planning Act* would cripple a state's efforts to maintain health care assistance for citizens of that state. . . .<sup>101</sup>

Certainly these developments challenge the traditional conception of "partnership" federalism. In many fields, federal and state-local officials now view each other more as adversaries than colleagues. Tension between elected public officials at the subnational level and federal bureaucrats and judges runs especially high. Too often, the spirit of cooperation has been replaced by a spirit of mutual antagonism.<sup>102</sup>

Evidence of rising tension may be found, among other places, on judicial docket books. Recent years have seen an escalating number of lawsuits by third parties who were denied assistance under a grant, who were denied the benefits of a grant, or were adversely affected by a grant. One survey of federal court cases identified almost 500 dealing with grant law, 80% of them issued since 1975.<sup>103</sup>

These developments fly in the face of the proclaimed intentions of every occupant of the White House in the past decade. Each President has pledged to strengthen and improve relations among the governmental levels, and each has attempted to simplify and smooth the operation of intergovernmental programs through administrative reforms and grant consolidation. Yet only modest progress has been made.

Despite a series of key mergers in public health (1966), employment training (1973), and community development (1974), and a few lesser grant consolidations, the number of categorical programs has continued to rise. No consolidation has encompassed more than a portion of a major functional field, and most areas have experienced a significant amount of "recategorization" as the years have passed. Furthermore, no major new consolidation has been enacted in the past six years.

In short, most contemporary assessments of the effectiveness and efficiency of grant administration differ sharply from those of 25, 20, or even 15 years ago. As the *quantity* of intergovernmental activities has risen, their *quality* has apparently declined. Consequently, visions of "partnership" and "cooperation" have been replaced by new images of inadequate implementation, growing fragmentation, increasing intrusiveness, and new antagonisms.

### Case Study Findings

Case study materials suggest that many of the problems of inefficiency and ineffectiveness found

in intergovernmental programs are partly explicable in political terms. First, because of shortcomings in the policy process at both ends of Pennsylvania Avenue, many programs are poorly designed from both a policy and administrative standpoint. Second, the case studies suggest that, once federal participation in a field is established, there is a "natural" tendency toward increasing regulatory prescriptiveness and increasing programmatic fragmentation. Finally, efforts at grant consolidation clearly run afoul of important—and strategically placed—"vested interests." Each of these points is examined below.

### IMPLEMENTATION ISSUES

The legislative histories included in the Commission's case studies indicate the political origins of many problems of intergovernmental implementation. Many federal programs were poorly designed at the outset from the standpoint of efficiency and effectiveness. Indeed, it might be said that the political process provides considerable incentives to exaggerate potential benefits of new programs while minimizing potential costs and ignoring possible obstacles to success.

Specific details do differ. Several key programs were rushed to enactment without much consideration of operational concerns. In other cases, efforts to build a supportive political coalition were so difficult that any doubts about probable results were suppressed. Finally, on many occasions, public policy addressed problems that were poorly examined or poorly understood. Although the President and bureaucracy are generally credited with greater "rationality," expertise, and staff resources than the Congress, all of these appeared mythic in some policies initiated in the executive branch as well.

Examples could be drawn from most of the functional fields studied. However, the political histories of some of the major education programs show each of these weaknesses. Consider, for instance, the circumstances surrounding the adoption of the *Elementary and Secondary Education Act of 1965* (ESEA), a program which has had serious shortcomings, according to many of its evaluators and implementation analysts.

Despite the administrative importance of clearly stated objectives, the language of ESEA was intentionally ambiguous. Although the bill had been developed largely in secret within the executive

branch, the Administration took the position that—faults aside—it was one which could pass. In the rush to enactment, important issues were left unexplored out of fear that the delicate political “consensus” would unravel. Few changes were made by Congress.

The result was a program with serious implementation problems. Former Commissioner of Education Harold Howe has remarked that “I doubt that anyone could have dreamed up a series of education programs more difficult to administer . . . but ESEA was not designed with that in mind.”<sup>104</sup> One legislator remarked:

. . . [W]e had to make the hard choice and face the reality that in 1965 the issue was not good education policy versus bad. The question . . . was whether there was ever to be federal aid to the elementary and secondary schools of this nation. *The 1965 Bill, in all candor, does not make much sense educationally*; but it makes a hell of a lot of sense legally, politically, and constitutionally. This was a battle of principle, not substance, and that is the main reason I voted for it.<sup>105</sup>

Consequently, it is not surprising that ESEA has experienced serious operational difficulties, and its effectiveness as educational and social policy has been questioned by many experts. Aid to the educationally disadvantaged has been used by many school districts as general aid, sometimes in violation of the letter as well as the spirit of the law. Although the federal Office of Education (OE) established eligibility guidelines and criteria for local projects, their enforcement is left to the states—which frequently ignore them. Because state and local education agencies constitute OE’s primary political constituency, it seldom has taken the drastic step of cutting off a recipient from grant funds.

Other implementation problems for ESEA arose because of the requirements of Title VI of the *Civil Rights Act of 1964*, which prohibited discrimination in any federally assisted program. Originally inserted into the bill by the Kennedy Administration for bargaining purposes, this section took on real life only after the President’s assassination and the subsequent Johnsonian “honeymoon” with Congress. Its creation was therefore something of an accident, and legislative intent on the means of enforcement was never clear:

. . . [N]one of the powerful elements within the legislative coalition—the labor unions, church groups, and the NAACP—had a clear picture of the path that would be required for federal officials to proceed from the status quo to the goal enunciated in Title VI.

The minimal debate on the measure within the Congress also reflected the failures of the contending interest groups involved in the lobbying to focus on the administrative imperatives of the title. . . . The Title VI issue [is] an example of a policy area that took administrative form without a clear blueprint for enforcement emerging from the legislative process.<sup>106</sup>

Enforcement in fact turned out to be exceedingly complex. Unexpectedly, ESEA became a principal tool in the effort to force desegregation of Southern school systems. To OE’s massive task of administering a large and complex new law was added simultaneous requirement to execute the civil rights provision:

The task facing the Office of Education was staggering. It had to induce instant desegregation and to end programmatic discrimination in every school district slated for the award of federal aid. . . . Compounding the dilemma was the fact that the Civil Rights Act provided no definitions of segregation and discrimination. . . . [T]he sheer volume of work involved in processing the submissions of nearly 5,000 southern and border districts severely impeded other USOE efforts. . . . [T]hat fear that sizeable blocks of funds would not be distributed because the necessary Title VI assurances could not be negotiated and processed in time brought the problem to crisis proportions.<sup>107</sup>

A similar disregard for questions of administrative efficiency and programmatic effectiveness may be found in the legislative histories of a number of key antipoverty programs of the 1960s. Indeed, the theory of “structural unemployment” on which area development and employment training programs were based was far more readily accepted by politicians than by academic economists. Few researchers found objective evidence that



structural unemployment was actually rising in the early 1960s or that major new federal initiatives were required. Not until *after* the War on Poverty was announced did the thesis of the economic “structuralists” gain widespread professional acceptance. Congressmen, on the other hand, embraced the idea readily, because it provided them with a direct, tangible way to come to the assistance of their distressed constituents. Its political virtues were manifest, even if its economic ones were not.

The first federal program to address the problem of structural unemployment was the *Area Redevelopment Act of 1961* (ARA). Its sponsor, Sen. Paul Douglas (D-IL), was a respected professional economist and former professor at the University of Chicago. But Douglas’ sponsorship of the ARA appears to have stemmed more from his political than his academic experience. In 1952, he had published a book urging governmental frugality, and stating that federal intervention in the economy was unwarranted unless the unemployment rate topped 8%. However, the recessions of 1954-58 and a reelection tour of areas with “hard core” unemployment problems in southern Illinois led him to change his view. In 1955, he had his staff prepare a “package” bill including eight separate assistance programs for depressed areas.

Throughout the six-year debate over the ARA, partisan rivalries and philosophical disputes figured more centrally than objective assessments of the probable impact of a set of rather small new federal aid programs. During Congressional campaigns of 1956 and 1958, Democratic supporters of the ARA bill exaggerated its potential benefits to constituents in distressed communities, sometimes to the embarrassment of the bill’s author. Competitive pressures also led to an exaggeration of differences between the Republican and Democratic positions on the measures, as proponents painted the Eisenhower White House as indifferent to the fate of the needy. Some Republicans responded that their more carefully targeted proposals would actually have provided more assistance to the most highly distressed areas, but the issue proved to be “too technical” to have much influence on the climate of political opinion.

Economic development programs proved to be very popular politically, and have grown more numerous and better funded. Yet, in retrospect, most evaluations suggest that they have had very limited impact on the growth of most of the com-

munities they were intended to assist. Federal developmental grants apparently have not been a major influence on the location of business and industry in areas of economic decline, or on the national unemployment rate.

Poor design also figured into the enactment of a second major employment bill of the Kennedy years. The *Manpower Development and Training Act of 1962* (MDTA) was formulated by Congress and the President as “a positive answer to the challenge of technology”—more specifically, to provide special retraining assistance to adults displaced by automation. Yet, just one year later, major revisions were necessary. Just as many economists had argued earlier, technological obsolescence was found *not* to be a leading cause of unemployment. A high rate of unemployment in the early 1960s had made it difficult for those who lost their jobs to find new ones, but as the sluggish economy began to improve, much of this problem dissolved.

As the general rate of unemployment fell, however, the problems of youth and minorities stood out in contrast. Both groups experienced unusually high rates of unemployment and, while the overall rate declined, youth unemployment actually increased. MDTA was not equipped to deal effectively with this situation. For example, the law stipulated that no more than 5% of its training allowances could be spent on workers under 21 years of age, and it focused primarily on vocational education, whereas many of the unemployed required remedial basic education.

Although several amendments retargeted the program—which had, in fact, been judged to be somewhat more effective than many others—it had difficulty adapting to its new clientele groups. To a considerable extent, these implementation problems resulted from its peculiar administrative structure. For the majority of its tasks, MDTA relied upon existing institutions. None of these were noted for their effectiveness, willingness, or capability in dealing with the urban poor. Problems of poor coordination and administrative complexity posed additional difficulties. The relationships among the several federal agencies responsible for carrying out these different program elements—each with its own clientele and operation procedures—became intensely competitive. All of these factors hampered efforts to rapidly establish a smoothly working and effective program of manpower training.

A third key statute, the *Economic Opportunity Act of 1964* (EOA), launched the War on Poverty and ushered in another major stream of employment and training programs. Yet, despite the fanfare given it, the EOA lacked much in the way of an overall conceptual framework. Its many titles reflected not a choice among programs so much as a collection of them. Administratively, the poverty program was extraordinarily complex, at both the federal level and intergovernmentally. Community action required very high degrees of interagency cooperation at every level—cooperation that was seldom forthcoming. Furthermore, many key EOA employment programs—the Neighborhood Youth Corps, the Work Experience and Training program, and the Job Corps—faced serious implementation difficulties, or produced few tangible results. As the 1960s drew to a close, it became apparent that federal manpower policy faced an erosion of both popular and Congressional support. Conceptually, administratively, and politically, successful governmental intervention had proven far more complicated than had been recognized at the outset.

In the 1970s, as in the 1960s, federal unemployment policy has reflected new—and perhaps erroneous—interpretations of the reasons for persisting unemployment and the efficacy of available tools for reducing it. Since the first acceptance of Keynesian doctrines, macroeconomic stimulation of the economy in times of recession has been considered to be a national, not local, responsibility. However, one classic study of state-local fiscal behavior during the Great Depression suggested that state and local governments tended to exacerbate economic downturns by cutting their spending and raising taxes. This idea was seized upon first by Congress, and later by President Carter, as a partial rationale for what became a \$16.1 billion “economic stimulus package” of countercyclical grants-in-aid. (The package included an expansion of temporary public jobs under Titles II and VI of the *Comprehensive Employment and Training Act* (CETA), as well as a program for local public works and special antirecession fiscal assistance.) Yet more recent research has cast doubt on the “perversity hypothesis.” In fact, ACIR studies suggest that state and local governments actually stimulated the national economy during the 1973-75 recession.

Moreover, these public employment programs—like the earlier manpower efforts—have experi-

enced severe implementation difficulties. As indicated in one recent commentary:

Even the most sympathetic appraisal of CETA . . . must conclude that its achievements have not been in line with its costs. Secretary of Labor Ray Marshall still vigorously defends it, and it has improved the look of employment statistics by providing more than 725,000 public-service jobs. But its failures and weaknesses seem ever more striking. It has made no noticeable dent in the number of hard-core unemployed. It has wasted billions of dollars on ill-defined and hastily executed relief programs. And the slackness of management has been an invitation to fraud and abuse.<sup>108</sup>

The “fungibility” problem has been a key concern. In particular, it has been extremely difficult to prevent local governments from substituting CETA funds for local tax revenues and using them to hire municipal or county employees—or even for political patronage. The fear arose that some hard-pressed communities were becoming “CETA addicts,” dependent upon a continuing infusion of supposedly temporary federal employment funds. And, even in the best of circumstances, local governments had a strong incentive to hire the best qualified available persons for public employment slots, rather than the most needy “hard-core” unemployed. All of these factors produced conflict and confusion, reducing the program’s effectiveness and its popularity. Indeed, by 1979, William Kolberg—who helped draft the 1973 legislation—conceded that CETA had become “a dirty four-letter word.”<sup>109</sup>

Other similar problems of theory, program design, and implementation may be found among the major programs of public assistance to the poor. Cost overruns, inefficiency, and red tape in AFDC may be attributed in part to the “open-ended” nature of its basic legislation. Federal outlays are essentially “uncontrollable,” since the national government is required to match state and local expenditures at a pre-set ratio. Under these circumstances, neither party to the transaction—federal or state—is fully responsible for the results.

Efforts to cut the burgeoning welfare rolls in the 1960s experienced serious operational difficulties as a result of legislative errors. In two instances, ill-designed amendments opened up new “loop-

holes" which had precisely the opposite effect. In 1962 the President and Congress created a comprehensive program of social services, on the theory that these might help welfare mothers move into productive employment and become economically self-sufficient. This hope proved erroneous. Instead, social service spending rose from \$354 million to a projected \$4.7 billion between 1969 and 1973, with no commensurate decline in the welfare population. Indeed, research studies indicate that the growing federal outlays did not even increase the volume of social services markedly, let alone accomplish their more basic policy objective. State and local budgeteers simply substituted federal dollars for their own tax funds, transferring program costs without improving services. Because of loose phrasing and its open-ended design, the program became, in the words of Congressman Wilbur Mills (D-AR), a form of "back door revenue sharing"—"the worst loophole that had ever been written into the law on the financing of Government."<sup>110</sup>

The 1967 AFDC amendments, aimed at encouraging work by welfare mothers, also opened a loophole which permitted payments to some mothers earning \$8,000 to \$12,000 a year, or even more. Committee reports accompanying the work incentive bill provided incorrect information, with the result that Congress misunderstood the law it was passing. The net effect was that welfare recipients were able to deduct a very broad range of "work-related" expenses, including "grooming, transportation, and extra food." There was considerable potential for abuse in these provisions. Furthermore, the new law actually discriminated against nonwelfare working mothers and fathers, despite its intent. During the year in which the new rules took effect, the AFDC rolls expanded by 25%—faster than ever before. While seeking to reduce dependency, Congress had actually increased it.

For similar reasons, the Food Stamp program has been plagued by rapid cost increases, as well as high error rates, delays, and outright fraud. Many of these problems, according to Phillip M. Gregg, are created by a system of perverse fiscal incentives in a program that is entirely nationally financed but administered by the states. The "food stamp mess," he indicates, "originates in the intergovernmental arrangements."<sup>111</sup> As noted previously, there also is reason to believe that Food Stamps is not very effective as a nutrition program. Current evidence indicates that it does not

have much impact on the diets of poor families, though it has been justified on this basis. According to Maurice McDonald, some form of "more direct intervention to change the nutritional efficiency of low-income households is needed" to accomplish its presumed objectives.<sup>112</sup>

Although the most dramatic instances of ineffectiveness and inefficiency may be found in the largest program areas, even smaller initiatives may experience similar difficulties. The effectiveness of the rural community fire protection program, for example, is open to question on two different counts.

The program was created as simply one more title in the omnibus *Rural Development Act of 1972*. Congress justified the program as a contribution to the economic revitalization of rural America, contending that "inadequate fire protection and the resultant threat of substantial losses of life and property is a significant deterrent to the investment of . . . labor and capital. . ."<sup>113</sup> Yet, the legislative record provided no strong foundation for this claim. Fire protection never emerged as a major concern in either Presidential or Congressional investigations of rural development needs, and no representatives of the fire services testified at the extensive hearings held in both the House and Senate in 1971 and 1972. Far more attention was focused on other rural problems and services. The need for fire protection aid to spur economic growth was not clearly established.

Even as a purely fire protection measure, the program's effectiveness and efficiency are open to dispute.<sup>114</sup> In fact, it appears unlikely that the program has had a measurable impact on fire incidence and fire loss. Moreover, the program's focus on fire suppression activities could be inappropriate. One study suggests that the disproportionately high levels of fire in small towns may be partially explained by lack of fire *prevention* activities in these communities. Hence, federal support for prevention, rather than suppression, might well be the more effective strategy. Finally, general revenue sharing funds, initially available in 1972, have been used to establish local fire departments and improve local fire fighting capabilities. The need for a separate categorical grant for this purpose might well be questioned.

In short, the Commission's case studies provide many examples of inattention to issues of efficiency and effectiveness in intergovernmental policy-making. Many of these problems can be traced to

the political environment in which the programs were created or operate. Poor design, and poor legislative draftmanship, have led to many implementation difficulties and disappointing results.

### INCREASING REGULATION

There is an old saying: "he who pays the piper calls the tune." The implication is that governmental controls necessarily follow governmental subsidies. Many of the case studies suggest that this observation is quite true—if the qualification, "in the long run," is added. From small beginnings, federal policy in many fields has become increasingly prescriptive over time. There is a pattern of historical evolution from small, limited-purpose grant programs to much more stringent regulatory arrangements, including detailed administrative controls and even the imposition of national policy mandates.

In addition, regulatory measures are subject to implementation difficulties, and problems of poor design—including the inadequate specification of objectives and a failure to recognize potential costs as well as benefits—occur here, as well as in grant programs. If anything, they seem to be unusually prone to these shortcomings.

Both of these tendencies are very readily apparent in the field of environmental protection. Federal involvement in water pollution control began in 1948 with a small research, technical assistance, and loan program, which—though unimportant itself—did legitimize national intervention. Still, the federal contribution was small, and all early enactments made it clear that the principal responsibility still rested with the states.

Over time, however, both the amount of federal payments and the scope of federal authority increased—initially in small, incremental steps, then in giant leaps. First Congress moved from a posture of denying federal authorities any enforcement powers to requiring the enactment of national water quality standards in the event that a state chose not to specify its own clean water criteria. In order to rationalize this shift, the federal government moved from timid reliance upon its power to tax and spend to increasingly broad interpretations of the interstate commerce clause. It institutionalized its role as a protector of the nation's waters by raising a small administrative section buried within an agency within a department to the status of an independent agency. Finally, the stated purpose of the legislation

underwent a significant metamorphosis from protecting the rights and responsibilities of the states to establishing a national policy. One step behind, a similar scenario was occurring in the field of air pollution.

One result of the increasing intrusiveness of federal policy was a drastic deterioration in the quality of national-state relationships. Antagonism replaced cooperation. By the mid-1970s, it could be said that:

... whereas past policy reflected a sort of "cooperative federalism" consisting in some national but also considerable state authority, that of the present underscores "federal" and, as one might expect, is distinctly uncooperative. Pollution policy is national policy, and the states are little more than reluctant minions mandated to do the dirty work—to implement federal directives often distasteful at the local level.<sup>115</sup>

Moreover, many environmental regulations came under attack as needlessly rigid, excessively expensive, and technologically unrealistic. For instance, the adoption of federal air pollution control policies provides an example of what political scientist Charles O. Jones terms "speculative augmentation, . . . the escalation of proposals leading to the enactment of law admittedly beyond the immediate capabilities to apply."<sup>116</sup> In enacting the *Clean Air Act Amendments of 1970*, Congress imposed auto emission standards well beyond the capability of the auto industry to produce. It legislated a nonexistent technology. Economic and administrative limits on the effectiveness of new federal policies were ignored in a game of "political one-upmanship" among a number of policy entrepreneurs.

A very similar history of subsidy and regulation may be traced regarding federal aid to higher education, with the crucial shift occurring around 1972. Nineteenth century land grants for higher education entailed practically no federal regulations or prescriptions whatever, and changes from this pattern were incremental and cautious. Post WWII programs—the GI Bill and research support—also brought with them very little in the way of federal controls. In the 1960s, the issue of federal regulation became more important as Washington challenged the segregated state college system in the south, but since so many states

had abused their independence, strong federal actions were accorded ready legitimacy.

Slowly, however, further regulatory issues began to develop. As the number and complexity of programs proliferated, administrative costs and burdens on educational institutions also grew. One report complained of distortion of academic development, disruption of institutional integrity and the imposition of burdensome, sometimes inconsistent, administrative regulations. Nonetheless, these concerns were overshadowed by higher education's thirst for additional federal funds.

This changed in the 1970s. As a result of a series of new regulatory enactments, there was a sharp deterioration in the relationship between colleges and the nation's capital. Many institutions became more concerned about protecting their autonomy than securing additional financial support. Summarizing this trend, one commentator noted the:

... painful and wrenching change in the relationship between the American research university and the federal government. . . . The great postwar partnership between them turned sour after 1968. The relationship between them that has since emerged is in part almost adversary.<sup>117</sup>

Critical college spokesmen charge that federal regulations challenge academic freedom and the scholarly "merit" system, are costly to administer, and distort academic priorities. Some, including former Yale President Kingman Brewster, have spoken out sharply against policies which subject an entire educational institution to federal regulatory standards if any of its students or programs receive federal aid. In an address to the Fellows of the American Bar Association, Brewster objected:

... to the notion that the receipt of a federal dollar for some purposes subjects a private institution to federal regulations and surveillance in all its activities. . . . Thus if we are to receive support for physics, let us say, we must conform to federal policies in the admission of women to the Art School, in women's athletic facilities, and in the recruitment of women and minorities, not just in the federally supported field but throughout the university. . . . To say . . . that all general educational activities of national importance will

be withheld unless a school enlarges the program the government is particularly interested in, is to use the threat of cutting off aid for one purpose in order to accomplish another. . . . This is Constitutionally objectionable, even in the name of a good cause such as "affirmative action."<sup>118</sup>

Federal aid to elementary and secondary education also has become increasingly prescriptive and intrusive. The authorizing legislation for the major aid programs has become longer, more detailed, and specific, owing to tension among the federal and state-local program "partners." For example, the original ESEA totaled 32 pages; the 1978 renewal, some 237 pages. Title I started out with just nine pages; it now takes up more than 47 pages. Albert L. Aford comments that:

... what has happened to Title I, while more drastic than the effects on most other titles, is symptomatic of a trend toward greater specificity in the law as to the way programs will be administered at the federal, state, and local levels. . . . Detail is explicit not only as to who is eligible for funds and how funds are to be distributed—something Congress does in most programs—but also as to the administrative procedures in planning and in expending and monitoring funds, areas where in the past more leeway was usually accorded the executive branches of federal and state governments. . . .

This situation appears to be the direct result of growing Congressional distrust and dissatisfaction with the way federal, state, and local officials administer their programs. This came about partially because of a widening gap between the legislative and executive branches during this decade, but more often because education interest groups have been finding it easier to get their views expressed in law rather than in regulations.<sup>119</sup>

Congress also has shown itself willing, in some cases, to utilize regulatory powers to impose its will on the school districts. Under new conditions of budgetary constraint, regulations provide Washington with a "cheap" way of accomplishing its objectives. As Samuel Halperin, a former HEW Assistant Secretary, notes:

Congressmen see themselves as having been elected to legislate. Confronted with a problem and showing that other levels of government are “defaulting,” their strong tendency is to pass a law. Ten years ago, money was Washington’s antidote for a problem. Now, the new fiscal realities . . . mean that Congress provides fewer dollars. Still determined to legislate against problems Congress uses sticks instead of carrots.<sup>120</sup>

A prime example is the *Education of All Handicapped Children Act of 1975*, which requires participating states to provide a free and appropriate education to all handicapped children, and local school authorities to prepare an individualized educational program for each handicapped child and local school to authorities prepare an individualized educational program for each handicapped child. It also establishes due process procedures for guaranteeing the educational rights of handicapped students and promotes the “mainstreaming” of handicapped children. These are expensive services—and the federal grant program created by the Act covers only about 9% of the total cost. Faced with Presidential opposition to the huge outlays which full funding would require, Congress passed the law with much smaller authorizations than were proposed originally. Local officials have since protested against having to meet the fiscal burden imposed upon them, but without success.

Other regulatory standards have been as much of judicial as Congressional origin. Following the momentous decision of *Brown v. Board of Education* (1954) and, more particularly, the *Civil Rights Act of 1964*, more and more aggrieved individuals and groups have turned to the courts for a remedy. One expert notes:

It would be impossible to summarize briefly even the highlights of the litigation over the past fifteen years relating to such major issues as busing of students, teacher bargaining rights, student behavior and records, school district boundaries, and state and local finance policy. The general effect has been to constrain the authority of school administrators to act independently with regard to these and a host of narrower concerns. Their problems have been compounded by a lack of consistency

among the decisions rendered by judges of differing jurisdictions and the wavering strategies of the enforcement agencies. The direct cost of litigation to school districts has been staggering, and preoccupation with the possibility of legal challenge is now a potent influence on almost every aspect of school operation.<sup>121</sup>

All of these trends have been greeted with distaste in many quarters of the education community. In fiscal terms, Washington clearly remains the “junior partner” in the educational enterprise, yet federal subsidies, controls, and mandates are an ever present aspect of school operations. The critic’s view has been expressed in these terms by the Illinois Superintendent of Schools:

. . . [S]tate and local taxes together still account for more than 90% of the dollar outlay for public schools in this nation. Yet the amount of federal regulation has increased in ways disproportionate to the amount of federal dollars received. . . . [S]lowly, inexorably, and incrementally, the federal government is taking over education. Especially since 1965, the country has moved—almost every year—toward a national system of education.<sup>122</sup>

## FRAGMENTATION AND CONSOLIDATION.

The proliferation of federal programs in such major fields as education, employment, income maintenance, health, environmental protection, and transportation has been widely documented,<sup>123</sup> and the resulting administrative difficulties are well understood. What is less widely recognized is the sizable number of programs in some of the lesser areas of federal activity, including those in which the overall national effort is comparatively small.

This point emerged in the Commission’s case studies of federal fire protection and library assistance programs. All federal executive departments except State and Defense, as well as at least 11 other agencies, are involved in fire-related activities that affect state and local governments. The programs include a variety of activities ranging from research to the training of fire personnel. In addition to General Revenue Sharing, which is sometimes used to support fire service delivery, 52 other grant-in-aid programs handled by 24 sep-

arate administrative units are available to subnational jurisdictions. Eight agencies make loans of money or equipment that can be used to improve fire protection. Five collect data related to fire incidence, injuries, and losses, and many provide some kind of technical assistance and information to those who request it.

Although most federal programs promote some national purpose other than the prevention or suppression of fires, both the U.S. Forest Service and the U.S. Fire Administration are directly concerned with the actual delivery of fire protection at the local level, while the Law Enforcement Assistance Administration and Department of Treasury are playing increasingly important roles in arson prevention and control.

Similarly, although federal aid to libraries is very limited—amounting to some \$250 million in FY 1980—these funds are divided among eight separate major program authorizations. Numerous other federal aid programs have funding provisions that can be used by libraries to provide basic services, initiate special projects, or erect new buildings. The American Library Association has identified some 30 library-related programs from which libraries have the potential to receive some financial support.

The most frequently proposed remedy for this sort of functional fragmentation is grant consolidation. Potentially, block grants formed by the merger of categorical programs could greatly simplify administrative duties at all levels of governments, increase flexibility, and decentralize decisionmaking authority. Yet the Commission's case studies and previous reports show the limitations of the grant consolidation strategy.<sup>124</sup> Successful grant consolidations have been few. Most proposals have been simply ignored or badly watered down in Congress, while the creation of new categorical grant programs has continued apace.

Many of the case studies also suggest the political rationale for these outcomes. As indicated previously, broad conceptions of the national purpose justify federal assistance in a great many specific fields, while Congressional entrepreneurship—bolstered by an array of highly specialized interest groups—encourages the creation of narrow categorical programs, each directed at particular problems and constituencies. Moreover, many major Presidential proposals are simply loose assemblages of separate legislative initiatives, frequently drawn from the proposals advanced by ex-

ecutive branch agencies but sometimes from Congressional or interest group sources. The increasing use of large, multititled omnibus bills for the enactment and renewal of programs facilitates an implicit form of logrolling, and many specific provisions ride to enactment on the strength of support for the bill as a whole. Program proliferation is the natural result.

Once a network of programs is established, both old and new political forces combine to make consolidation extremely difficult. While the desire to create new categorical grants is quite strong, the protectionist sentiments surrounding those already in existence seem even more intense. Political "iron triangles" emerge, even where they did not exist previously, with proponents in the Congress, interest groups, and bureaucracy working together to preserve "their" programs. These program specialists have clear advantages in terms of access, expertise, and intensity of interest—factors which formally make up for their lack of numbers. Because of these political facts of life, few consolidation proposals are advanced; fewer yet are ever enacted; and even these tend to become undone with each passing year.

Of the seven functional fields reviewed in the case studies, only federal unemployment programs have been subject to a major grant consolidation. The *Comprehensive Employment and Training Act of 1973* (CETA) merged 17 existing categorical programs into its Title I, creating an important new block grant, with funds distributed by formula to state and local "prime sponsors."

CETA was enacted in response to the serious problems of administrative fragmentation in employment training programs. Several earlier efforts to improve coordination through incremental managerial reforms and interagency cooperation had been largely unsuccessful. In 1969, President Nixon proposed a new consolidated grant which one analyst termed a "happy marriage of traditional Republican philosophy and expert opinion within the manpower subgovernment." Yet this (and a similar proposal advanced in 1971) was resisted by those committed to the maintenance of existing programs. Although a spirit of compromise prevailed in 1973, CETA fell far short of the wide-ranging merger that the President had contemplated initially and that many reformers felt was desirable. The consolidation enacted was at best a partial one. Title I eliminated very little of the historical overlapping and duplication of pur-

pose among employment training programs. CETA's six other substantive titles continued some existing programs and created new ones. Many more manpower programs were beyond the jurisdiction of the Congressional committees which designed CETA, and hence were not affected by its passage. Even within their area of jurisdictional competence:

. . . the committees attempted to develop a mix of block and categorical program authorizations that would strike an acceptable compromise between national and subnational objectives. . . .

By surrounding Title I with a cluster of categoricals aimed at public service employment, special target groups, and the Job Corps, a politically viable way was developed to assure the manpower subgovernment that programs that had proven popular in the past, or that called for national recognition in light of contemporary conditions, would be kept in place regardless of decategorization and decentralization. Although the containment approach helped deflect some opposition to manpower reform, it did not significantly alter the fragmented national program structure.<sup>125</sup>

In the period since 1973, Congress has added considerably to this complexity by creating CETA programs for other special purposes or particular target groups. These include measures for public service employment (1974), youth employment (1977), the handicapped (1978), and private sector opportunities (1978). A number of additional employment programs also have been established outside the CETA umbrella.<sup>126</sup>

The result is that, despite the 1973 consolidation, many of the administrative problems associated with excessive fragmentation still remain. A recent General Accounting Office (GAO) report found some 44 federally assisted employment and training programs operating in the Tidewater, VA area—many with similar goals and serving virtually the same target populations. GAO identified serious problems in planning, coordinating, and evaluating the effectiveness of this maze of programs, which utilized a variety of delivery mechanisms. The 44 programs involved 5 federal

departments, 3 independent federal agencies, the Federal Regional Council, 26 national organizations or state agencies, and more than 50 separate local administering agencies.<sup>127</sup> It noted that:

. . . the number of narrowly defined programs and the manner in which they are scattered across many federal, state, and local agencies raise questions about the overall efficiency of the federally assisted employment and training effort. Such a piecemeal approach can saturate and blanket an area and still not produce optimum results. . . .

The proliferation of programs also makes it very difficult, if not impossible, to evaluate the overall federal effort. Evaluations can be made but for practical reasons must generally be done on a program-by-program basis. In fact no one knows whether the overall results of federal efforts are effective in solving employment and training problems.<sup>128</sup>

For these reasons, GAO recommended that the Office of Management and Budget and Congress explore further alternatives for program consolidation to reduce the number of separate programs.<sup>129</sup>

The past record of consolidation attempts in education is even bleaker. Although aid proponents have always favored general aid to public schools, only limited-purpose categorical programs were enacted prior to 1965. Thereafter, the focus on compensatory services for the educationally disadvantaged which characterized the *Elementary and Secondary Education Act*:

. . . opened up a floodgate of demands that special needs of other categories of children be met: those from migrant and bilingual families, the gifted and the talented, and the physically and emotionally handicapped. Over the past fifteen years, the essential structure of ESEA has been maintained by a series of reenactments, but with the addition of categorical grants for several designated clientele and for stimulating some state and local program initiatives.<sup>130</sup>

Beginning in 1971 the Nixon Administration advanced a proposal for Education Revenue Sharing



(ERS), a block grant combining the 33 major aid-to-educational programs in a single \$2.6 billion formula grant to states. However, this proposal was almost totally rejected by Congress and educational interest groups. Groups like the audio-visual manufacturers and bilingual aid supporters predictably opposed the consolidation of categorical grants in their areas of interest. But even the National Education Association (NEA), which could have gained from unrestricted federal aid, opposed the ERS, and the Chief State School Officers and National School Boards Association offered only lukewarm support.

There were several reasons for this. First, many opponents feared that the ERS would be used as an instrument of budgetary control. Consolidation could be politically acceptable only if it carried the possibility of more, not less, money. Secondly, some interpreted the Administration's decentralization rhetoric to mean federal backtracking on civil rights enforcement. Finally, most Congressmen resisted losing what control they felt they have over existing federal aid. The targeted, categorical, innovative approach to federal aid reflected the views of many members that state and local educators have failed in certain areas of education. Eliminating categorical aid restrictions, they thought, would simply reinforce local educational priorities which Congress disavowed.

Fear of a Presidential veto in 1974 did lead to Congressional initiation of a small consolidation in that year. In a House-Senate compromise, seven categorical programs were merged into one two-part program. But this was a largely symbolic gesture with little impact on federal involvement in education. And even these minor steps were largely dismantled by the 1978 *Education Amendments*, which created at least 16 new statutory authorizations.<sup>131</sup> More recent consolidation proposals also have made little headway. Albert L. Alford observes that, in 1978, Congress (and especially its education committees):

...enunciated clearly that categorical programs are still its first preference. . . . Although several bills were introduced in the last Congress for varying degrees of consolidation of programs, essentially no consideration was given such measures by the authorizing committees. One such proposal, rather drastic in nature, was brought up on the House floor. . . . It was

handily defeated by a vote of 79 to 290. Such measures never got that close on the Senate side.<sup>132</sup>

A decade of Presidential attempts to consolidate various library programs also has met with very little success. The question was first raised by President Johnson, who asked a temporary national commission to investigate the problem, and President Nixon made a number of unsuccessful proposals in this area. Richard P. Nathan explained the Congressional resistance to the Nixon Administration's 1969 library grant consolidation proposal in these quantitative terms: "99.99% of the public is not interested in library grant reform. Of the 0.01% who are interested, all are librarians and oppose it."<sup>133</sup>

A minor success (noted above) was achieved in 1974, with the consolidation of separate programs for school libraries, instructional equipment, and school counseling into a single broader grant. This compromise measure was supported by the major education groups, but several of the smaller interests affected objected on the basis that it combined "things" and "people." In 1978 Congress acceded to this reasoning, and separated the two components once again.

All three of these cases of consolidation attempts point toward similar conclusions. Though justified chiefly in *administrative* terms, consolidation proposals raise major *political* issues. Possible gains in efficiency and effectiveness are not enough to counterbalance the political tendency toward specificity. Even a successful grant consolidation, when achieved, may do little to alter the underlying political dynamics which encourage program proliferation.

## Conclusion

Recent assessments of intergovernmental implementation, for the most part, have been records of programmatic problems (and even some outright failures). The grant-in-aid has proven to be a very difficult instrument for the execution of national *policies*, though it is invaluable as an instrument of national politics. And, in sharp contrast to the traditional view of grant administration as a "cooperative" endeavor, contemporary analysts suggest that the earlier federal-state-local partnership has largely broken down.

From the standpoint of economic efficiency and administrative effectiveness, the present division

of labor among the governmental levels rates poorly. Too many programs are ineffectively managed; the multiplicity of interrelated programs in each functional area dissipates federal leverage and complicates state-local administration; and the growing prescriptiveness and intrusiveness of federal regulatory policies have produced high levels of intergovernmental antagonism. Despite efforts to simplify the intergovernmental system through grant consolidation and policy decentralization, the number of categorical programs remains excessive, and actually has continued to rise.

A number of the case studies suggest that many of these deficiencies are political, rather than purely administrative, in origin. Too often both Congress and Executive Branch have failed to consider how their policy objectives were to be accomplished. Many grant and regulation programs have been poorly designed—or not “designed” at all. All too often, political entrepreneurs have rushed crucial measures to enactment without much consideration of operational concerns. Many programs have addressed social or economic problems that had been poorly analyzed or were poorly understood. While administrators inherit this political legacy, and are blamed for the results, “economy and efficiency” can never be realized in bureaucratic practice until they are understood and applied in policy formulation.

## POLITICAL ACCOUNTABILITY

The notion of political accountability provides a fifth criterion for assessing the federal role in the federal system, including the assignment of functional responsibilities. Though taken up last, it is hardly the least important. On the contrary, many would stress accountability as the bedrock for proper public policy in a democratic nation. For some, the “will of the people” should override any other philosophic or technocratic concerns.

### Theory

The 1974 Commission study described two facets of the political accountability criterion: (a) citizen access to and control of governments performing assigned functions, and (b) direct citizen participation in the delivery of an assigned service.<sup>134</sup> Both of these involve basic democratic values. Neither,

however, is directly or obviously associated with the question of federal involvement in specific functional areas. Federal programs in general and grants-in-aid in particular most often have been justified on the basis of fiscal or administrative criteria of the kinds already described, rather than on an overtly democratic basis. Furthermore, given the existence of representative institutions at all governmental levels, there is no strong *a priori* basis for any particular distribution of functions. As the Commission’s 1974 report noted, “Effective access and control can produce satisfaction with any given pattern of functional assignment.”<sup>135</sup>

## CONFLICTING TRADITIONS

Still, ideas about political accountability and functional assignment are by no means wholly unrelated. The advocates of federal action have often justified their proposals by references to shortcomings in the political process at the state or local levels, while opponents have argued on behalf of local discretion and keeping power “close to the people.” These competing views, in turn, reflect a conflict in American political theory, reaching back to the era of the founders.

First, it must be recalled that the founders were more concerned about protecting the individual from the abuse of governmental authority than the constructive exercise of public power. Hence, they devised a system based on popular sovereignty but geared to curbing the potential excesses of any temporary political majority. The Constitution they drafted embodied only a limited, representative democracy, and it contained many features intended to slow action, to cool passions, and to prevent the accumulation of power. “Federalism,” in particular, “was designed as one of a parcel of negative devices which inhibit the use of power in the United States. It was not designed to facilitate that use.”<sup>136</sup>

Within this prevailing conception of the “negative liberal state,” however, there were two conflicting views on the most appropriate allocation of governmental authority. Jeffersonian philosophy provided one traditional perspective: that the functions of local governments should be maximized, because they are the “closest to the people.” Political accountability was expected to be strongest at the local, then state, and finally national levels.

This view dominated political rhetoric, at least until comparatively recent times.

Yet there also is an important opposing tradition, founded in Madison's theory of the extended republic. In Madison's view, there was a danger that small societies, because of their greater homogeneity, would be likely to oppress minority interests. In contrast, the greater diversity of a vast "compound republic" could mitigate this tendency and promote freer, more legitimate government. Madison said:

Extend the sphere, and you take in a greater variety of parties and interests; you make it less probable that a majority of the whole will have a common motive to invade the rights of other citizens; or if such a common motive exists, it will be more difficult for all who feel it to discover their own strength, and to act in unison with each other. . . . [I]n the extent and proper structure of the Union, therefore, we behold a republican remedy for the diseases most incident to republican government.<sup>137</sup>

Debate on this issue has never ended, but there has been a major shift in its terms. Consistent with the rise of the activist "positive liberal state," minority rights have been redefined to include access to public services, jobs, and income, as well as the protection of basic liberties. But the underlying argument has remained much the same.

First, until very recent years, the traditional assertion that the division of powers in the American system was a conservative perhaps even reactionary influence, was seldom questioned. In 1968, following a thorough analysis of national policy-making in the Eisenhower, Kennedy, and Johnson years, James L. Sundquist commented that:

. . . the United States is unique among the world's democracies in the extent to which the institutional system is weighted on the side of restraint regardless of the mandate of the people. The Constitution defines actions that the majority can at no time take. An independent Supreme Court interprets and applies the Constitution. An independent President and Congress restrain each other, through a mutual veto power. The two houses of the legislature likewise restrain each other. Some decisions of the

majority must, under the Constitution, be taken by a two-thirds vote. Powers are divided, or shared, between the federal government and the states. To all these Constitutional limitations, Congress has voluntarily added other elements of restraint, by granting to groups and individuals within each house what can amount to a power of veto over the majorities of the houses.

The "total effect" of these institutional obstacles, Sundquist concluded:

. . . can be not just to delay action in the interest of full and free debate, but to forbid action. To the extent that the American institutional system cannot respond to a popular mandate for a change in the general course and direction of the government, as translated into specific measures by the President and his legislative majorities, it must be judged defective. . . .<sup>138</sup>

However, while conceding the inherent conservatism of the Constitutional framework, most observers in the 1950s and 1960s believed that the national government was far more responsive to many social needs than were the states. Even in 1970, Richard H. Leach concluded that, despite its faults:

. . . the national government is nonetheless at present the most effective partner in the federal system. Both the executive and legislative branches of the national government, if marked too by weaknesses, are characterized by their ability to perform reasonably well and to produce a close approximation in the end of what the American people want from them. It is the state and local governments in our system which more often miss the mark and so are most in need of improvement.<sup>139</sup>

In particular, critics charged state and local governments with being unresponsive to urban residents, blacks, the poor, and other social and economic minorities. Legislative malapportionment, restrictions on black voting in the south, and the dominance of many cities by business "power elites" or entrenched political "machines" lent substance to these claims. Writing in 1966, Grant McConnell reflected Madison's opinion that small

constituencies tend to undermine democracy, rather than to promote it:

The effect of a small constituency is to enhance the power of local elites, whatever their character or sources of power. . . . [T]he claims that small units ensure democracy are erroneous. . . . [D]ecentralization to local . . . units does not make for democracy; indeed, in the sense that democratic values center about liberty and equality, the tendency inherent in small units to stratification of power relationships and to protection of established informal patterns of domination and subordination is most alien to equality.<sup>140</sup>

William Riker concluded his analysis of federal systems in 1964 with an even harsher view: "If in the United States one approves of southern white racists, then one shall approve of American federalism."<sup>141</sup>

On the other hand, a certain philosophical commitment to the vitality of local political processes still remained. Even critics regarded the principal of decentralization as a sound one. As James L. Sundquist wrote:

. . . decisions on community problems made at the community level are *potentially* better than those made at the national level, because only at the community level can the community be seen whole, only there can the community programs be interrelated, only there can the systems of comprehensive planning and program coordination be established and operated, and only there can widespread citizen participation be organized and the contributions of the citizens blended with those of professionals in the decisionmaking process.<sup>142</sup>

Both perspectives were reflected in the Commission's 1974 discussion of accountability and functional assignment. First, echoing Jefferson, the report noted that "theoretically and empirically, direct citizen involvement has been most productive in local settings" and that "more direct and concerted political influence may be brought to bear on smaller, local units of government by the majority of its constituents."<sup>143</sup> But, consistent with the Madisonian argument, the report also indicated that:

. . . minority political interests are sometimes more effectively served in a larger, more heterogeneous jurisdiction. . . . [S]ome population groups have only exerted effective local political influence by recourse to higher levels of government—this is particularly true of economic and racial minorities.<sup>144</sup>

## THE ROLE OF GRANTS

It was once often said that the system of shared responsibility exemplified by the use of grant-in-aid programs provides at least a partial reconciliation of these two competing approaches to the accountability issue. First, grants certainly increase opportunities for citizen participation beyond those present in direct, uniform, national programs. To the extent that they are voluntary mechanisms of cooperative federalism, they permit local residents to select from and tailor national programs to meet local needs and to become involved in the actual delivery of services at the community level. Second, the involvement of several levels of government in each program area may actually heighten citizen access and influence. Morton Grodzins once contended that:

. . . a system of many power centers is well suited to meet the infinite variety of expressed needs. It responds quickly (sometimes too quickly) to citizen demand. Because there are many points for decision, citizens and citizen groups have multiple opportunities to influence decisionmaking. If a group does not get satisfaction at one place, it can try another. And if the second is unresponsive, there may exist a third or a fourth.<sup>145</sup>

As Grodzins suggests, the creation of grant programs often has been attributed to the pressures of interest groups which, for one reason or another, found their needs to be inadequately represented at the lower levels of government. In this view, categorical programs are a reflection of the pluralism of American society and its political institutions. In 1960 Selma J. Mushkin argued that:

. . . most federal aid programs . . . originate in rather specific public needs and are designed primarily to stimulate states to meet those needs. Pressures for action have centered on concerns of the citizen

and of the interests groups with which he associates himself for political action: clean water, school hot lunches, training practical nurses, control of cancer, efficient interstate highways, and scientific apparatus in classrooms.<sup>146</sup>

In that same year Monypenny built a more formal theory of grant development around considerations of group strength and access. He explained that the growth of grant-in-aid programs lay in certain characteristics of the American political system. Specifically, he noted that:

... the population of the United States is divided by loyalties to a thousand different causes. People look to the complex fabric of government for means to pursue these causes, acting at points which are responsive, whatever the formal jurisdiction of the officials who respond. Groups within the population use their influence in one part of the fabric to negate the influence of their opponents at other points, to impose controls, or to escape them. The population acts through political parties and outside of them; it divides in elections for office, and recombines in pursuit of more particular goals. It uses the weapons of numbers, or of status, of publicity, or of intensity of organization, of money, or of familial and personal connection, as they are appropriate.

"For such a population," he added:

... the federal grant-in-aid is a made-to-order device for securing unity of action without sacrificing the cohesiveness which is necessary for political success... [P]olitically speaking, federal aid programs are an outcome of a loose coalition which resorts to a mixed federal state program because it is not strong enough in individual states to secure its program, and because it is not united enough to be able to achieve a wholly federal program against the opposition which a specific program would engender.<sup>147</sup>

To the exponent of cooperative federalism, viewing the intergovernmental system as it appeared 20-odd years ago, grants-in-aid both contributed to and were evidence of the responsiveness of the

American federal system. They seemingly reconciled competing centralist and decentralist approaches to the accountability question, and assured that public policy would be a faithful reflection of the popular will.

## Assessment

Few assessments of political accountability in the American federal system are positive now. On the contrary, a crisis of confidence—affecting citizens and public officials alike—is the paramount political concern of our times. It is now widely charged that the federal budget, and the federal bureaucracy, as well, have grown "out of control." Despite evidence of continuing immobilism in a few select areas (energy resources, arms control, welfare reform, national health insurance), past characterizations of American political institutions as biased toward inaction seem ludicrous, given the legislative record of the past decade and a half. *Hyperlexis*—a "pathological condition caused by an overactive lawmaking gland"—has been diagnosed as the national political disease.<sup>148</sup> The proliferation of special interest lobbies in Washington, facilitated by modern communications, has undermined the premises of the Madisonian system.<sup>149</sup>

Furthermore, few contemporary analysts believe that the present pattern of intergovernmental relations facilitates popular control. On the contrary, the maze of grant and regulatory programs and multiple levels of responsibility diffuses authority and mitigates against meaningful public participation at *any* level. Journalist Neal R. Peirce, a close observer of state and local affairs, has concluded that the burgeoning federal role in recent years has seriously imperiled political accountability and the power of the ordinary citizen. "American federalism," he argues, "was grievously wounded in the 1970s:"

Despite all the talk of popular participation during the decade, the average citizen's power to affect government, through the ballot box in his local community, was severely diminished. More was lost, too: the system's traditional balance between competing national and state-local interests, and the clear-cut accountability of government officials at all levels... There has been an un-

precedented expansion of federal funding—and federal controls. Power has shifted from elected officials to bureaucrats. State and local governments, chosen by Congress as delivery agents for a mind-blowing variety of programs, have found their own policy priorities distorted. Their responding to local citizen wishes is extremely difficult.<sup>160</sup>

In Washington, commentators from across the political spectrum point to a decline in the performance of the major institutions of representative government—Congress, the Presidency, and the political parties—as well as in the faith of the populace in them. Deep-seated trends, they contend, have created a “crisis of competence” in government which may worsen in the 1980s.<sup>161</sup>

Scores of scholarly studies and informed commentaries confirm that fundamental changes have occurred in American politics. Much of this analysis is captured in the three themes of political *alienation*, *atomization*, and *overload*.

Rising “alienation” is evidenced in the growing suspicion with which political leaders are regarded, as well as declining levels of participation at the ballot box and allegiance to the major political parties. Dramatic changes in the political climate over the past 20 years have brought the nation to what some have described as “the most severe crisis in civic morale and trust in our history.”<sup>162</sup> David Cohen of Common Cause has commented that:

... if de Tocqueville, one of our most prescient observers, were to return, he would be struck by one overriding phenomenon: Confidence in and respect for our public institutions has tumbled so low that it’s adversely affecting American society. No major public or private institution is exempt from the decline in trust.

The loss of confidence comes from the heart of the population. There is nothing radical, fringe, or extreme about it. It comes from the vast number of voters whose choice is increasingly “none of the above.” The antigovernment and anti-Washington feeling pervades and runs deep.<sup>163</sup>

Social science survey studies provide ample confirmation of these judgments. The proportion of the general public believing that government is

“pretty much run by a few big interests looking out for themselves” rather than “for the benefit of all the people” has risen steadily from less than one-fifth of the population in 1958 to more than three-quarters in 1978. Over this same period, those believing that the government in Washington cannot be regularly trusted to “do what is right” has risen from 25% of the population to 70%.<sup>164</sup>

“Atomization” refers to the increasing division of political authority and influence, particularly the rapid increase in the number and strength of special interest lobbies and a concomitant decline in the importance of the overarching political institutions: the political parties, the Presidency, and the Congressional leadership. All of these trends, in the view of concerned observers, spell out a weakening of American mass democracy and an undercutting of opportunities for effective participation by the average citizen.

The term “atomization” has several synonyms. To journalist Robert J. Samuelson, the name of the game is:

... fragmentation. In a word, that is what has happened to American politics in the past 30 years. Had you hibernated from the early 1950s to the end of 1979, you would have awakened to find that American electoral politics has changed ... beyond any reasonable stretch of the imagination. ...<sup>165</sup>

Former HEW Secretary Joseph A. Califano, Jr. warns of the “new world of molecular politics” which has arisen in Washington. He comments:

There are today nearly 300 Congressional committees, subcommittees, and select committees, each meticulously attended by narrow interest groups that have weight with Committee and Subcommittee members (whose political campaigns depend upon private financing) far beyond their power in the electorate as a whole. And it is now a truism that, over the past decade, the power of the Subcommittees in the Congress has increased, as have the size and influence of Congressional staff.

Political party discipline has been shattered by the rise of special interest politics in the nation’s capital. Washington has become a city of political molecules, with fragmentation of power, and often authori-

ty and responsibility, among increasingly narrow, what's-in-it-for-me interest groups and their responsive counterparts in the Executive and Legislative Branches. This is a basic—perhaps the basic—fact of political life in our nation's capital.<sup>156</sup>

Much academic research points in the same direction. A comprehensive scholarly analysis of the changes in American politics between the late 1950s and the late 1970s summarized the findings of its contributors in this manner:

Certain words have appeared again and again in the preceding pages: “fragmentation,” “proliferation,” “decentralization,” “disintegration,” “breaking up.” The ideas of the New Deal are no longer the ideas around which American politics is organized; but no new public philosophy has emerged to take their place. Power in Congress is even more widely dispersed than it used to be; the conservative coalition is much less prominent than it was. The old party machines and bosses have largely gone; nothing has replaced them. There are far more interest and issue groups than there used to be; the great majority of them lack internal cohesion. Within the federal government in Washington, the old “iron triangles” (coalitions of a sort) have given way to much more amorphous issue networks, to the description of which a simple Euclidian geometry is no longer appropriate. Even among the electorate, the voting blocs of the 1930s and 1940s have been gradually eroded by time; only the blacks remain. To the words suggestive of disintegration, of breaking up, used so frequently in this volume, we should clearly add “atomization.” American politics have become, to a high degree, atomized.<sup>157</sup>

“Overload,” on the other hand, is apparent in both the rising number of decisions and the chorus of demands which confront national policymakers. As the sphere of governmental activity has expanded, the growing pressures have nearly overwhelmed every major institution.

No one is more aware of—nor more concerned about—the overload issue than the occupants of these institutions themselves. National legislators

have given themselves an “F” for “frustration,” according to one recent commentary.<sup>158</sup> The days when Capitol Hill housed the “world's greatest deliberative body” are gone. Few measures now receive more than superficial consideration on the floor of Congress or, increasingly, even in its committee rooms, where the “real work” is said to be done. Dr. Delphis C. Goldberg, a veteran Congressional staffer, describes the changes over the past 20 years:

In the early 1960s, when the level of federal aid was \$7 billion rather than close to \$85 billion, and the scope of regulatory involvement much more limited, there was ample opportunity in the Congress to discuss legislative proposals and their implications.

There was far less reason for members to go to the floor or to their committees and vote on the basis of how “the rest of my delegation is voting, how many people have called me, and the number of telegrams I received.” Generally, there was an extensive discussion of program issues; this has ceased to be the case. It is not unusual today to see programs costing \$100 million and more brought up in the House under the suspension-of-the-rules procedure which limits debate to 40 minutes but requires a two-thirds vote for passage. Nevertheless, if the skids have been greased and the interest groups have done their lobbying, there is neither the opportunity nor the inclination in that brief time to consider even the big issues. Unless the number of programs and their complexity can be reduced, it is inevitable that the future will bring even less carefully considered legislation, together with ill-defined program purposes and unintended effects.<sup>159</sup>

At the same time, the pressures which encourage precipitous action in some cases bar any action at all in others. The 96th Congress (1979-80) has been branded the “do nothing Congress” because of its inability to grapple with key issues, and critical members have charged that “We're approaching the point where the House of Representatives simply can't handle its work load.”<sup>160</sup>

The press of ongoing business also has strained

the capacity of the major executive branch agencies. Former HEW Secretary Joseph Califano has described the pressures on that department—an organization which employed 144,256 persons in 1978 (and paid the salaries of an additional 980,000 state, local, and private workers) and has a budget approaching \$200 billion:

Beyond the size of its budget and the number of its employees, HEW challenges those who would manage it by the sheer complexity—and volatility—of the responsibilities Congress has placed there. It is our responsibility to determine whether saccharin is carcinogenic, whether laetrile is efficacious, and how dangerous marijuana is. We confront tangled social problems like poverty that do not yield to quick, technical fixes. We cope with controversial problems that defy simple definition, much less solution, like discrimination on the basis of race, religion, ethnic origin, sex, handicaps, and . . . age.

We struggle with deeply troubling ethical issues in biomedical research, issues that would confound a Socrates. We are dealing with searing social issues like abortion, teenage pregnancy, psycho-surgery and sterilization. . . .

We must deal with problems such as these in ways that are acceptable to an array of competing, and often conflicting interests: pharmaceutical companies and Nader public interest groups; business and labor; rich and poor; black and white; Hispanics, Eskimos and Indians; women and handicapped citizens; big computer manufacturers and American Civil Liberties Union privacy lawyers; retired people on social security and active workers angry about payroll taxes.

And, most importantly today, we must deal with these problems in the new world of molecular politics.<sup>161</sup>

The White House, of course, is the point where all of the policy and administrative problems come to rest on a single person. Not surprisingly the Presidency too, appears to be in a “state of decline,” the salient features of which are “high expectations amidst an increasingly intractable atmosphere.”<sup>162</sup> All recent occupants of the White

House have experienced difficulty exercising legislative, bureaucratic, and popular leadership. The pressures are overwhelming. To the historian Henry F. Graff,

. . . the White House has become the dumping ground of last resort for society’s unsolved and unsolvable technological, social, and economic issues—most of them so complex that they would tax the mind of a polymath.<sup>163</sup>

A recent conference of eminent political scientists concluded that:

. . . the President is saddled with exaggerated public expectations and that what had originally been introduced as institutional innovations, including the presentation of comprehensive legislative programs . . . , is now considered routine.

Just as important, the demands of the Presidency, which is fundamentally a personalized institution, overload the office and restrict the flexibility of the occupant.<sup>164</sup>

In summary, few close observers of American government offer positive assessments of the recent performance of our representative institutions and processes. As governmental responsibilities have grown, so has the belief that it is but tenuously accountable to the public it serves.

## Case Study Findings

Although the Commission’s case studies did not investigate citizen participation in federal programs at the state or local level, they do illuminate the issue of political accountability in Washington. Indeed, several characteristics of the political process revealed in the case studies seem to help account for rising levels of alienation, atomization, and overload. First, in large part because of the entrepreneurial character of policymaking, even major policy decisions frequently are entrusted to comparatively small groups of individuals and interests. Second—but more importantly—accountability tends to be even more drastically reduced in the later stages of policymaking, when programs are renewed, refunded, or revised. Given the present scope of federal activity, this embraces *most* policy *most* of the time.



Much evidence bearing on these propositions was presented in foregoing sections of this chapter, and the role of various political actors in policy-development was indicated in *Chapter II*. A few selected additional cases are presented below.

## POLICY INITIATION

Most of the case studies indicate that, while the political game is played in the *name* of the people, it is not played by the people themselves. Instead, policy development in Washington is, in most instances, a highly specialized and entrepreneurial activity, engaged in only by those with the commitment and resources to do so.

The crucial roles played by one or a few individuals at the policy initiation stage mean that it often is difficult for the public-at-large to have much influence on legislative outcomes, or to hold any set of actors responsible for the final product. Moreover, important interests and issues have often been ignored when policies were first formulated.

According to conventional theories of representative government, the electoral process, the political parties, and the interest group system provide channels for communication between the governors and the governed, while the legislative process is structured to assure that policy proposals are carefully debated and evaluated. To be effective, a process of legislative deliberation must assure that the representatives obtain accurate information about the implications of the proposals they consider, that they have opportunities to think about that information, and that they discuss with each other the factual, political, and moral implications of each initiative.<sup>165</sup>

Yet, the case study findings suggest that each of these institutions has sometimes failed to play the roles ascribed to them very effectively. On the contrary, a variety of even very important measures have been adopted with little public attention, party involvement, or even a broad range of interest group participation. Even when public interest was comparatively high, it usually focused mostly on the general aims of the legislation. Many measures also have been given cursory attention on the floor of the Congress, which remains the only point in the legislative process at which every citizen's elected representatives have an opportunity to participate. Even more strikingly, a number of major enactments received very little consideration at

the committee stage, where the "real work" of Congress is usually said to be done.

The problem of accountability in policy development is aptly illustrated by the circumstances surrounding the adoption of the *Employment Act of 1946*, which must surely be counted as one of the leading legislative achievements of modern times. While World War II wiped out the Great Depression, the *Employment Act* was Congress's vow that it would never return. Specifically, the *Employment Act* made a formal legislative commitment to the use of macroeconomic policy to reduce unemployment and stabilize the economy. It thus made permanent what all of the experimentation of the New Deal had left only temporary: that the national government has a major responsibility to assure job opportunities and alleviate economic suffering. Though important in itself, the spirit behind the act also has been the foundation for the creation of a vast array of community and regional development and job training programs.

Yet, despite its centrality, the *Employment Act* rested on only a highly generalized political consensus. Public opinion polls taken at the time suggested that it was widely accepted that government should "do something" to help maintain employment levels. But this general attitude offered little guidance on specifics, and is hard to relate to the *Employment Act* in particular or to the political wrangling over its most crucial provisions. Instead, according to the bill's principal political historian, Stephen K. Bailey, what was striking was the "lack of sustained, intense, and widespread interest" in a measure of great national political and economic importance.<sup>166</sup>

Neither did the instruments of political accountability—the President, the political parties, or even interest groups—play decisive roles in the enactment of the full employment bill. Roosevelt was almost invisible during its gestation period, and Truman, while providing a modest measure of leadership, was not a key actor. Democratic and Republican party positions in 1944 did not differ so sharply as they had on many New Deal measures. The Republican Presidential candidate Thomas E. Dewey accepted full employment as "a first objective of national policy," while the Democrats sought to portray FDR principally as a great war leader. Even the coalition of liberal and labor groups assembled on behalf of the act changed few votes. Opposing conservative organizations were perhaps more influential, but their impact was indi-

rect: Past “educational” campaigns, more than short-term lobbying, had conditioned the views of many Congressional members.

In truth, a comparatively small number of individuals—working within a favorable but extremely “permissive” political environment—must be regarded as the real architects of federal full employment legislation. A few members of Congress and their staff largely determined the outcome of the debate. Senator James E. Murray (D-MT.) provided the “spark of will which transformed an idea into a specific legislative proposal”<sup>167</sup> Other major roles were played by several more well placed members of Congress, most of whom held leadership positions or key committee chairmanships, while the final language was hammered out by the 12 members of the House-Senate joint conference committee.

In making their policy decisions, all of these individuals were guided more by their personal values and beliefs than by any external political forces. Bailey observed that “the fate of an issue depends to a shocking extent upon a handful of men who take special interest in the pending legislation in committee.”<sup>168</sup> He also expressed concern that the legislative process was in fact quite “irresponsible” from the standpoint of the general public. He concluded that “the American voter could not and cannot hold any recognizable group, interest, or individual responsible for the *Employment Act of 1946*.”<sup>169</sup>

Bailey’s critique is readily extended to a host of the other major policy initiatives studied. The chain of accountability between the public-at-large and the actions of their representatives has often been a thin one. Indeed, in a surprising number of instances, even most members of Congress—let alone the general citizenry—were unaware of the full significance of new undertakings. Regardless of one’s assessment of their desirability, many important enactments have rested upon a political foundation of accident, rather than intention; of neglect, rather than firm commitment.

This may be said, for example, of the creation of the Supplemental Security Income (SSI) program under the *Social Security Act Amendments of 1972*. SSI constituted a quiet, nearly unnoticed revolution in public welfare, dramatically reversing long-standing federal-state-local relationships. Most importantly, it federalized welfare payments to the aged, blind, and disabled by establishing a guaranteed minimum income. The measure constituted

the only successful effort in the dreary history of welfare reform, and—from a human standpoint—contributed to a better life for many by raising benefit levels and by increasing the number of recipients in many states.

SSI had its origins in a more modest Nixon Administration proposal, advanced as a postscript to the Family Assistance Plan, which would have required the states (for the first time) to pay certain minimum benefits to the needy aged, the blind, and the disabled. This measure thus addressed the concern that these welfare payments were far too low in some states, and were highly inequitable because of gross variations in benefits levels.

The proposal was both warmly embraced and drastically liberalized by Congress, with the major changes made in closed meetings of the House Ways and Means Committee dominated by two fiscal conservatives, Representatives Wilbur Mills (D-AR) and John W. Byrnes (R-WI), in concert with top HEW officials. Their primary motive was the protection of the Social Security system. SSI promised to ensure the needy elderly a minimum income without raising the regressive payroll tax levels and without costly increases in Social Security benefits for all, rich and poor alike.

Endorsement of the measure by the Nixon Administration and a handful of Congressional leaders was good enough for most legislators. Few had carefully read the third title of the otherwise controversial welfare reform bill, and the floor debate suggested that many misunderstood some crucial provisions. Neither did the measure attract much public notice—a fact which probably speeded its passage. Thus, as Vincent and Vee Burke have observed:

When the historical law was enacted, politicians ignored it and most newspapers failed to report it. It is probable that many members of Congress who voted for it did not realize what they had accomplished . . . . Except for the few persons who had engineered it and for Governors, who anticipated savings from its federally paid floor for the aged, blind, and disabled, few knew what was in Title III of H.R. 1.<sup>170</sup>

The regulatory sphere also provides a variety of similar cases. Indeed, there seems to be something about the politics of regulatory enactment which

mitigates against full and careful deliberation. Congress often seems to view new regulations as one-sided moral issues or opportunities for “position-taking,” rather than as major policies with important operational and economic implications. While the potential benefits—and beneficiaries—of regulatory measures usually are considered, the potential costs often seem to be ignored.

When they are poorly framed, regulatory enactments can do serious damage to the processes of accountability by granting excessive discretion to the bureaucracy, or to the courts. The result can be endless wrangling and confusion over the character of a “legislative intent” which was either never decided or imprecisely specified.

The *National Environmental Policy Act of 1969 (NEPA)*—creating the “environmental impact statement” process and established the Council on Environmental Quality (CEQ)—was the most sweeping environmental law ever adopted by Congress. Yet, the measure attracted little public attention during its formative period, and the news media offered little coverage. Neither was there much organized lobbying from the interests most likely to be affected. While the proposal did excite considerable conflict, the concerned parties were mostly members of Congress, and they were as much interested in jurisdictional disputes as fundamental issues of national policy. Consequently, only a few legislators were well informed about the implications of the law they were adopting. According to a Congressional staff aide, “If Congress had appreciated what the law would do, it would not have passed.”<sup>171</sup>

According to its Congressional mandate, the new CEQ was to develop policies in accordance with the purposes of NEPA and to evaluate other federal programs in order to determine if their activities furthered the objectives of the Act. Had NEPA set specific standards, CEQ would have had a difficult enough time defining the scope of its policymaking and watchdog functions. But no guidelines were included in the statement of purpose, which was framed in heavily symbolic rather than operational language.

In the absence of clear legal criteria, and given the limited coordinating influence of the CEQ itself, the measure has been interpreted and enforced largely through the judicial process. In the hands of environmental interest groups, NEPA became a potent weapon to be used against projects they opposed. The courts read firm meaning into

an ambiguous law, exciting considerable controversy after the fact. Yet, the possibility of judicial review of impact statements had never been discussed prior to NEPA’s adoption.

Similar weaknesses appeared in the development of the *Family Educational Rights and Privacy Act of 1974 (FERPA)*, which requires all educational institutions receiving federal funds to provide full student and parental access to educational records, and also limits the disclosure of such records to others. Critics believe that the law has had a chilling effect on student evaluations and references, and that—because it applies to all university programs, whether federally aided or not—raises important administrative and perhaps even Constitutional issues.

None of these questions was given much consideration at the time of enactment. FERPA was introduced on the Senate floor during debate over the *General Education Provision’s Act of 1974*. It was adopted there and was subsequently retained by the House-Senate Conference. FERPA had been subject to no hearings nor any other major input from educators during its drafting and, indeed, very few were aware of it. Intended primarily to address problems in elementary and secondary education, higher education was added “as an afterthought,” apparently on the assumption that the problems of elementary and college education are similar and that the same principles should apply to both. This assumption was clearly erroneous. As initially adopted, the bill had major defects and had to be revised almost immediately. Higher education groups remain very dissatisfied with both the costs imposed and the unusual federal intrusion into their administrative procedures.

Title IX of the *Education Amendments of 1972*, which prohibits sex discrimination in the admissions, facilities, and practices of educational institutions which receive federal funds, had a similar legislative history. The provision was chiefly the work of Rep. Edith Green (D-OR) and Sen. Birch Bayh (D-IN). They were supported by relatively few lobbying groups: most women’s organizations were concentrating their attention on ERA, while the education groups thought the question to be one of minor importance.<sup>172</sup> Its implications also were not understood by many of the members who approved its passage:

... [W]hen Congress passed Title IX in 1972, it was voting for a general principle

of equality; the specific implications of the law were understood by few members of Congress. . . . Congress made no attempt to provide a clear and complete definition of what constituted sex discrimination in education. As a result, the real public debate on the issues involved in eliminating sex discrimination followed rather than preceded, the passage of the law.<sup>173</sup>

Implementation of Title IX has been slow, difficult, and contentious. Due to superficial treatment and the symbolic nature of the law, legislative intent was not clear. The drafting of final regulations alone took three years. Their publication in July 1975 prompted vociferous controversy producing support as well as heated opposition.

### **POLICY INSTITUTIONALIZATION**

The entrepreneurial process described in the preceding section, and the problems of political accountability which pertain to it, is most typical of the development of new program initiatives in emerging functional areas. Where federal activities are limited, policy entrepreneurs may have free rein, once the legitimacy of national involvement is accepted. In many cases, the result has been one or more dramatic, precedent-shattering enactments followed by a flurry of lesser, closely-related legislation.

At the present time, however, a few domestic policy fields remain unexplored. Instead, in almost every major function, there are a number of existing grant or regulatory programs. Once federal involvement is thoroughly established, a new political process comes to the fore. Policymaking is institutionalized, revolving around the funding, renewal, refinement, or elaboration of existing efforts intended to achieve generally accepted national objectives.

During this "second generation" of policymaking, new political patterns emerge. Regardless of the origin of the program in question, power shifts toward those who are affected most intimately by its day-to-day operations: the Congressional committees which oversee it; the federal bureaucrats charged with its management; state and local professionals who received funds and operate it; and, frequently, its organized beneficiaries or clientele groups. Public attention subsides; partisan differences diminish; and Presidential involvement

typically becomes infrequent (and is often ineffective).

From a policy standpoint, most programs become self-perpetuating and resistant to termination or large-scale reforms. As documented previously, a seemingly "natural" tendency toward increasing fragmentation and regulation—as well as higher funding levels—takes hold. Autonomy grows, and, "because policy is evermore its own cause, programs depend less on the external environment than on events inside the sector from which they come."<sup>174</sup>

From the standpoint of political accountability, the consequences are serious, and challenge the effectiveness of representative institutions. Policy-making becomes an "insider's game," largely incomprehensible, inaccessible, and unaccountable to those outside a narrow circle. Results are biased toward the political and programmatic status quo.

Thus, many of the case study findings echo a warning first voiced by the Commission on Intergovernmental Relations in 1955, which coined the phrase "vertical functional autocracy" to describe the networks of program specialists at all levels of government and their ability to resist the initiatives of elected political generalists and the political currents of the times. (Others use the term "iron triangle" to describe these same alliances of interest groups, Congressional subcommittees, and program administrators). Once established, both early and contemporary critics stress, federal programs seem to become isolated from general political direction. Indeed, their enactment helps to create tripartite coalitions of interests which often spur rising outlays and stand as major obstacles to termination, programmatic consolidation, or major administrative reorganization.

Substantial evidence for these propositions has been presented in the previous sections of this chapter. Yet, this general tendency may be indicated more clearly by examining the policy institutionalization process in selected functional areas.

The history of welfare reform efforts over the past decade illustrates many of the peculiarities and difficulties of second-generation policymaking. Most importantly, it reveals the obstacles which confront Presidents who attempt to displace entrenched programmatic interests, even with broad public support. Both Presidents Nixon (in 1969) and Carter (in 1976) sought to reform welfare through federalization, guaranteed uniform in-

comes, and program consolidation. Neither plan was adopted, for the same overt reasons: both failed to gain the support of the powerful chairman of the Senate Finance Committee, Sen. Russell Long (D-LA); both were subject to claims of inadequacy on the one hand and over-generosity on the other; both sought to simplify the plethora of virtually unconnected programs which make up the "welfare system" and thus, both sought to battle entrenched chaos; both required new and perhaps massive federal expenditures; and finally, both ran headlong into elections—elections usually won by currying favor, not with the poor, but with the middle class.

Although public assistance policy was a bone of contention between Democrats and Republicans from the New Deal onward, contemporary welfare reform has been a thoroughly bipartisan issue in authorship, support, and resistance. By the end of the 1960s, key leaders from across the political spectrum agreed that the administratively complex, increasingly expensive, but often inadequate set of public assistance programs initiated in the 1930s required an overhaul. The notion of a guaranteed minimum income was first championed by a staunchly conservative economist, Milton Friedman; was refined and advocated by staffers of President Johnson's Office of Economic Opportunity, and was passed on to President Richard Nixon, whose "Family Assistance Plan" generated considerable public support. This bill passed the House of Representatives in April 1970, and was expected to flow smoothly through the "more liberal" Senate Finance Committee. Yet, the bill died with the 91st Congress, in good measure because of the opposition of a group of liberal Congressmen who deemed the guaranteed income level of \$2,400 to be "too low."

Interest group alignments on welfare reform have been as curious as its partisanship. Surprisingly, the most vocal opposition to Nixon's Family Assistance Plan came from groups speaking for the poor themselves. Militant recipients—most notably, the National Welfare Rights Organization (NWRO)—probably were the most potent single negative force. Waging a "Zap FAP" campaign, NWRO not only garnered the support of critical liberal legislators, but, by their very resistance, robbed welfare reform of its moral and practical efficacy and legitimacy.

The reason for this opposition was rooted in the federal-state structure of existing welfare pro-

grams. Opponents were concerned that, although FAP offered new aid to many of the poorest of the poor, it provided no additional benefits and had some disadvantages for AFDC recipients in the more generous states.

The pattern of strange alliances continued during the Ford Administration, though welfare reform was more a matter of talk than action. In this case, the unlikely partners in reform were Rep. Martha Griffiths (D-MI) and the Secretary of HEW, Caspar W. Weinberger. Not only did these two would-be reformers belong to different political parties, but they tended toward opposite ends of the liberal-conservative spectrum within those parties—Griffiths being the House sponsor of the most liberal, far-reaching, and expensive national health insurance plan to that date and Weinberger having previously served as finance director for the conservative Governor of California, Ronald Reagan. The proposals also became subject to a curious battle between HEW and the Treasury Department. Unlike classic and expected jurisdictional expansion fights, in this case the two departments both sought to *avoid* responsibility for the program. Thus, while Weinberger proposed that the negative income tax system be run by the Internal Revenue Service, Treasury Department officials claimed that there would be "nothing but trouble for the department and the IRS" if they were assigned the job.

In the end, HEW's plan for a rather straightforward "negative income tax" system failed to make it past the President's desk. Devoid of support, the bill was finally introduced to Congress in 1975 by a Democratic Representative from Wisconsin, Robert J. Cornell, and died a quiet death.

No happier fate greeted the proposal of the Carter Administration. During his Presidential campaign, Jimmy Carter announced that welfare reform would be one of his major domestic goals, and in September 1977, he unveiled his plan for "Better Jobs and Income" (BJIA). The proposal bore some striking similarities to those of his two Republican predecessors. Indeed, BJIA was actually a restatement of several previous welfare reform and public employment proposals. Furthermore, it was a restatement which combined their most comprehensive features. Thus, its cash component was larger and more inclusive; its jobs component was more pervasive and more intense.

Politically, the reaction to BJIA was a potpourri: "to each his own" objection. From the outset, it

produced advocates, opponents, and a significant collection of interests who seemed not to know what they wanted. Although formidable opposition appeared from key legislators, the real nemeses of the program were its half-hearted supporters and ambivalent commentators. The measure was slowly nibbled to death by those who were unwilling to discard it entirely but were critical of certain components.

Nearly every major group which could be expected to have an interest in welfare policy voiced criticism of some elements of the plan. Thus, some welfare recipients opposed it because the public jobs component paid only the minimum wage rather than higher prevailing wage rates; others opposed unclear day care provisions and the idea of requiring mothers of school aged children to work at all; still others described the \$4,200 cash grant as "lousy." Organized labor opposed the minimum wage requirement on the grounds that it would create a "second-class workforce" and undercut the wages of other workers. They were joined for a time by business interests who feared the government might eventually become the "employer of first resort."

Rounding out the list of ambivalent commentators and sometime opponents were social workers who decried the basic benefit levels and certain portions of the job program; policy research organizations, such as the Institute for Research on Poverty, which offered half-hearted endorsement at best and criticized the jobs component; and professional associations, such as the National Academy of Public Administration, which warned against federal administration, cashing out food stamps, and the inclusion of SSI.

Little emerged from all the furor. By mid-1978, it was clear that the original Carter proposal was a dead issue; while many members of Congress devised alternatives aimed toward more acceptable costs and content, these fared no better. Thus reform floundered in 1977-78, the victim of group anarchy, the growing "taxpayers revolt," and the Administration's own poor planning and shifting priorities. Though three major proposals have been introduced into the 96th Congress (all offshoots of 1978 bills), national attention now appears to be focused elsewhere, and the problem of entrenched opponents remains.

Every policy field is somewhat unique, and welfare reform involves some very special difficulties. Public assistance is a very large, prominent, and

comparatively old federal function; the relevant interests were "vested" years ago. Still, a process of institutionalization may be identified in most other fields, including some in which the federal role is much smaller and relatively recent. Examples include both education and the environment. Over time, each has developed its own "policy community" (or mini-political system) and has proven resistant to external—including Presidential—redirection.

Although the key programs of federal aid to education were not enacted until 1965, federal participation in the field was substantially institutionalized well before then. Indeed, a growing tendency toward federal initiation of new programs is clearly discernible, and by 1960, government itself had become a major—perhaps the preeminent—force in shaping the federal role in education.

Of course, the federal role in education did not develop without considerable external political support. Indeed, opinion polls have regularly shown that large majorities favor high and rising levels of federal assistance to the nation's schools and colleges. Furthermore, demands from interest groups have been a primary force in federal involvement in elementary and secondary education from the earliest years. This has been especially true of NEA and other educational groups.

Still, these demands have always been enhanced by governmental actions, and the continuing process of institutionalization has reinforced group access and influence. A first step was the creation of a federal department for education in 1867. Though later reduced to bureau status, this agency worked actively with NEA in the early struggle for federal aid, and it has provided useful information to aid proponents throughout its history. Individual Congressional activists also were long vitally important for their work with education groups on behalf of federal aid.

By the 1960s, the process of institutionalization had proceeded much further. The Office of Education had grown, and the President and bureaucracy had assumed new policy leadership roles. This resulted less from any external political demands than from the unfolding internal agenda of the Great Society itself. Education subcommittees, complete with staff and stable membership, had been established in both chambers of Congress, and each additional federal aid program was accomplished by clientele and beneficiary groups committed to its growth and survival.

With the election of President Nixon, the initiative for federal growth shifted out of the White House, but not out of the federal government. Congressional entrepreneurs and bureaucratic officials have advanced recent federal regulations affecting education. Each has found incentives that make such an activist role attractive.

The same pattern of political interaction may be identified for higher education, although the initiative has long rested with the government. Indeed, prior to 1970, the higher education groups were notorious for their lack of influence. Far from being responsible for most major programs, the higher education associations largely developed in response to them. This is true also of some of the groups interested in particular educational issues. For example, the relationship between women's organizations and federal programs and policies has been a symbiotic one, and the emergence of a strong lobby on sex discrimination issues was a by-product of Congressional battles over federal regulations.

The institutionalization of educational interests has placed major obstacles in the path of Presidential policy leadership, and rendered large-scale reforms difficult to contemplate, let alone achieve. Indeed, in the view of Gary Orfield, fundamental changes in the federal role in elementary and secondary education had become essentially impossible as early as 1969. Because of:

... the mounting strength of local constituencies that grow up around major grant programs after several years of operation, the President had lost his last real opportunity to fundamentally reshape the basic structure of federal aid.<sup>175</sup>

The failures of grant consolidation efforts, as recounted earlier, lend credence to this view.

Though partially successful, the creation of a national Department of Education (DE) also clearly revealed the fragmented coalition of interests undergirding current programs and the difficulties of comprehensive change. This issue was brought to the fore when Jimmy Carter voiced approval of the DE proposal during his 1976 Presidential campaign. Establishment of a cabinet-rank educational department had long been the goal of NEA, the largest organization of professional educators, and Carter's announcement earned him the first NEA Presidential endorsement in history. But the proposal also brought the opposition of other

educators, including the American Federation of Teachers—the NEA's major rival—as well as the AFL-CIO and many other liberal as well as conservative groups. Rather than unifying the educational community, the reorganization proposal deepened splits among them.

On the surface, the primary issues were purely administrative. Many proponents argued that an education department would provide a more rational organization of federal education programs, which were scattered among a number of different agencies and departments, making coordination among them more difficult. Departmental reorganization by function is, in fact, the traditional remedy of administrative experts for just these sorts of problems.

Yet, lurking below the surface—and sometimes erupting over it—were major issues of political access and power, and different approaches to the "institutionalization" question. Both sides agree that the new organization might further enhance the federal role. Many supporters felt that the department would raise the visibility of and Presidential attention to education, thus increasing the education budget. In their view, the inclusion of education with HEW held down spending because education represents an abnormally large proportion of the department's "controllable" outlays. Since the major welfare and health programs operate on an open-ended entitlement basis, education programs seemed to bear the brunt of downward budgetary pressures.

On the other hand, many opponents viewed further institutionalization of the federal role in education as dangerous indeed. Such critics as John E. Sawyer, the President of the Mellon Foundation and past President of Williams College, warned of the "pressures" that a new department would "inevitably" create. "Given the dynamics of government and the natural ambitions of men," he said:

... one need not be a hardened conservative to anticipate the drift toward centralized planning and control that would follow, or the ways in which this could undercut the diversity and initiative, the adaptability and responsiveness of the vigorous, flexible, competitive network of private and public institutions, locally governed, which would follow.<sup>176</sup>

Of course, educational interests were not the on-

ly ones potentially affected. Indeed, the most vigorous opposition came from various agencies slated for inclusion, plus their constituencies and Congressional defenders. All feared the disruption of traditional relationships in the new organizational environment and the subjugation of their own priorities to those of education. Thus, veterans opposed the inclusion of the large Veterans Administration (VA) student assistance program in the department; civil rights groups opposed placing Head Start and civil rights enforcement personnel in the department; Indian groups opposed the addition of Indian education programs to the department; many science and higher education representatives opposed the addition of National Science Foundation (NSF) programs; and nutritional groups opposed the inclusion of child nutrition programs in the education department. Moreover, many Congressmen opposed changes because any realignment of agencies would cause a realignment in power on Capitol Hill.

As finally approved by Congress in September 1979, the DE was a sharply scaled-down version of Carter's initial 1978 proposal. Rather than bringing together education-related programs on a governmentwide basis, the new department is composed chiefly of programs formerly housed within HEW's own Education Division, plus the system of overseas schools formerly run by the Department of Defense.<sup>177</sup>

In both public assistance and education, federal policies became institutionalized over a substantial historical period. Yet, under extreme conditions, the process also can proceed very rapidly. Environmental policymaking is an apt illustration. In a remarkably short period, the quality of the environment changed from a major focus of mass "demonstration" politics to an ongoing concern of an expanded host of bureaucrats, interest groups, and Congressional committees.

"Earth Day"—April 22, 1970—was the most visible public expression of concern for the environment. It also marked an era of major new initiatives in federal policy. Yet the decline in very intense popular concern was nearly as precipitous as the rise had been explosive. As early as 1971, the most focal of public demands for massive and radical environmental changes had begun to subside, and by the mid-1970s, environmental quality was no longer *the* national issue.

By the time public interest subsided, however, environmental quality had joined the ranks of en-

during, institutionalized problems and concerns. Federal action was generally accepted and, though views were less intense, public opinion continued to support high levels of expenditure. Furthermore, a new policy system was in place within the structure of government itself. At the federal level this institutionalization took the forms of an agency (EPA), a council (CEQ), and the active consideration of environmental impacts by all federal agencies. In addition, five standing Senate committees and eight House committees had assumed some responsibility for making environmental policy. Further, each state had created a permanent agency responsible for environmental programs, and there are many local, regional, and substate bodies engaged in environmental activities.

As in other fields, the growth of federal environmental activity has been accompanied by the activation of an increasing number of organized group interests. During the early stages of policy development, the bulk of support for a national antipollution role had come from the "urban lobby" representing the nation's cities and counties, as well as a few conservation organizations. This situation changed drastically in the 1970s. Such venerable institutions as the Sierra Club and National Wildlife Federation experienced rapid growth in membership, and refocused their attention from forestry and wildlife to the environment in general. And many more groups, using a variety of new issues and tactics, emerged. Some of the newer groups chose the courts as the arena in which to wage their struggle. Others have used their resources to lobby Congress and provide public information, but have not attempted to attract a large membership base.

Hence, if by mid-decade the environment had become a secondary concern to the public-at-large, the number of organizations and policy professionals for whom it was a principal preoccupation had increased sharply. All of these new actors could make their presence known as new budgets were proposed and legislative reauthorizations were required. The nation's frantic commitment had been replaced by a less emotional, but far more enduring, one.

Toward the end of the decade, environmental politics had entered yet another phase. Most importantly, there was growing awareness of the costs of controlling pollution—costs which had been cavalierly or even deliberately ignored in the heady atmosphere of Earth Day. The energy crisis



focused attention on the need for additional domestic fuel sources and the obstacles which environmental policies placed before their development. Some critics feared that clean air standards, if strictly applied, would have the effect of halting industrial growth in certain cities and regions. Others charged that the rising tide of governmental regulations, including environmental regulation, was raising the costs of doing business and was contributing to rampant inflation.

Yet, the thoroughgoing institutionalization of environmental programs has made the balanced assessment of these competing national objectives very difficult. A recent GAO report stresses that the fragmentation of responsibility for environmental issues among an array of Congressional committees does not permit effective consideration of tradeoffs between them and other national priorities. It also makes it difficult to address "multimedia" pollution problems as a whole, i.e., the relationship between air, water, and land pollution.<sup>178</sup> Similarly, the division of responsibility within the Executive Branch makes coordination a constant and troublesome problem.<sup>179</sup>

Despite the existence of variations on the theme, a similar process of institutionalization can be identified in each of the other fields studied: fire protection, libraries, and unemployment. In every case, policy control has shifted toward networks of program specialists in the legislative and executive branches, as well as organized beneficiary groups. This, in combination with the expanded scope of public responsibilities, creates serious obstacles to the exercise of political leadership by the occupants of the White House, the Congress, or the political parties.

## Conclusion

Prior to the mid-1960s, federal grants-in-aid were frequently judged to be excellent instruments of a healthy, peculiarly American brand of political pluralism. From this earlier perspective, intergovernmental programs provided some reconciliation of the representational protection inherent in a "large republic" and the participatory opportunities of a small one. The multiple points of political access offered by overlapping governmental functions seemed to ensure that public policies would accord quite closely to the desires of the citizenry.

These past assessments are belied by the political trends of the past two decades. Paralleling the growth of federal programs has been a rising level of political *alienation*, a growing *atomization* of the political process, and increasing *overload* of the major governmental institutions. Most policy-making has been increasingly entrusted to narrow circles of specialists inside and outside government, while the role of representative, majoritarian bodies—the President, political parties, and Congress as a whole—has declined. At few times in the past has government seemed less fully accountable to the public than it does now. Some even believe that these new pressures pose a serious threat to the vitality of American democracy itself.

The case studies do suggest that popular control of and participation in national policymaking has been quite limited. Indeed, some of the nation's most fundamental domestic legislation was formulated by small groups of individuals, and given cursory review in the broader legislative and electoral processes. At best, these statutes reflected a highly generalized political mood, with the consent of the governed obtained after, not before, the fact.

Far more important—because it is now much more pervasive—is the character of the political process within established fields of governmental activity. Once in place, federal programs become "institutionalized" in specialized networks of bureaucrats, legislators, and beneficiaries. Many become self-perpetuating, and opportunities for full-scale policy reviews and the effective exercise of political leadership are limited.

Thus, the fragmentation and congestion of intergovernmental programs is now mirrored in the atomization and overload of the political process itself. Each begets the other; the two are mutually reinforcing; and both are destructive of the traditional processes intended to ensure political accountability.

## SUMMARY AND CONCLUSION

In past studies, this Commission has employed five criteria for the analysis of the assignment of functions among governmental levels: national purpose, fiscal equity, economic efficiency, administrative effectiveness, and political accountability. Although these criteria are difficult to operation-

alize, frequently conflict, and are more readily applied to direct operations than to federal assistance programs, each does offer a useful and appropriate standard for assessing the overall operation of the intergovernmental system.

Earlier theory and research generally presented positive appraisals on every count. Potentially, at least, grant programs were believed to advance principal national goals, while leaving lesser matters to state-local discretion; to help equalize incomes and service levels among jurisdictions and individuals, thus benefiting the disadvantaged; to provide an efficient and effective means for delivering services on a cooperative basis among the levels of government; and to assure the responsiveness of the political system to the needs and desires of its citizens.

More contemporary commentaries provided in recent assessments of intergovernmental administration and politics offer a far less sanguine view. Over the past 20 years, the federal assistance system has grown "bigger, broader, and deeper," expanding dramatically in terms of the number of intergovernmental program relationships and expenditure levels, the functional range of intergovernmental activity, and the intrusive character of intergovernmental regulation and control. These new measures have addressed a variety of important social, economic, and political needs. Yet the net result has been a major transformation in the balance of American federalism—and, despite repeated reformist efforts—increasing dissatisfaction with its performance as a whole. While aspirations have risen sharply, results have not kept pace, and many of the traditional virtues of intergovernmental relationships now seem more mythical than real.

In large part, these critical perspectives can be accounted for by the piecemeal, even haphazard manner in which intergovernmental policies have been developed, as presented in the Commission's seven functional field case studies. Too often, the political process itself has hampered the realization of the five key values enumerated above.

In sum, then, the recent record comes to this:

- Regarding *national purpose*, the record indicates that federal grant-in-aid programs have never reflected any consistent or coherent interpretation of national needs. At present, the federal government's assistance or regulatory activities reach in-

to even the most traditionally local fields. Individual programs have been created largely on a hit or miss basis, chiefly reflecting the entrepreneurial activities of policymakers and organized interests. Furthermore, limited national objectives have proven difficult to specify in politically meaningful terms. Even such a universally accepted federal responsibility as defense has encouraged the creation of federal programs affecting such diverse local activities as education and fire protection. The acceptance of new national goals, especially in the past two decades—including the reduction of unemployment, the elimination of poverty, and the protection of the environment—has resulted in an elaborate network of intergovernmental programs touching upon essentially every field of state and local operations.

- Regarding *fiscal equity*, the record indicates that federal aid programs have never consistently transferred income to the poorest jurisdictions or individuals. Neither do most existing grants accord with the prescriptions of "externality" theory. Unlike a number of other major federal systems, the United States lacks a systematic method for equalizing the fiscal resources of its states. The targeting of resources to the most needy jurisdictions has been inconsistent with the coalition-building process engaged in to secure support for legislation; hence, for political reasons, funds are often dispersed very broadly. While poverty rates have declined markedly, the open-ended character of the major public assistance programs allows vastly different (and frequently inadequate) levels of help to the poor. In-kind service programs for particular groups have been more politically acceptable than large-scale income redistribution measures.
- Regarding *economic efficiency and administrative effectiveness*, the record indicates that there are serious obstacles to the successful implementation of intergovernmental programs. Legislators often have given insufficient attention to operational issues, and many programs are poorly de-

signed to accomplish their objectives. The multiplicity of administrative levels dilutes responsibility, while the fragmentation of grants dissipates federal leverage and taxes the managerial capacities of recipient jurisdictions. Proposals to consolidate grants to simplify and decentralize administration arouse major political opposition, and few have been adopted. Finally, federal policy in most fields has become increasingly prescriptive and intrusive as time has passed. For all of these reasons, in many areas the spirit of intergovernmental cooperation has been replaced by rising levels of intergovernmental antagonism.

- Regarding *political accountability*, the record suggests a decline in popular control through state and local governments as well as rising levels of political alienation, an increasing atomization of national political processes, and a growing overload of national decisionmaking institutions. The entrepreneurial process through which many programs are initiated makes it difficult for the general public to have much influence on legislative outcomes or to fix political responsibility for them. Important issues and interests often are ignored—perhaps particularly in the enactment of regulatory legislation. Furthermore, once programs are adopted, they tend to become self-perpetuating and re-

sistant to major reforms. The process of legislative extension tends to be dominated by policy specialists in Congress, bureaucracy, and interest groups, while undercutting opportunities for effective leadership by the President or through the political parties.

These altered and sharply conflicting assessments are largely explicable in historical terms. When federal involvement was confined principally to a few major fields; when programs in each of these fields were few in number; and when their regulations were limited to matters of good management practice, the grant-in-aid had much to commend it. The deficiencies have become more apparent as grant programs have become more pervasive, and essentially every policy field has become an intergovernmental undertaking.

Politically, the deficiencies reflect a declining philosophical commitment to a balanced federalism, an increasingly pervasive “pork barrel” mentality inside and outside government, and the relative ease with which new programs may be created and older ones may be extended and expanded.

*Both* reflect the congestion of the intergovernmental system—a system which has become too big, too broad, and too deep for effective operation or control. Where all responsibilities are shared, no one is truly responsible. And, if everyone is responsible for everything, none can fulfill their obligations.

## FOOTNOTES

- <sup>1</sup> See Advisory Commission on Intergovernmental Relations, *Condition of American Federalism: Conflicting Theories and Collapsing Constraints* (A-78), Washington, DC, U.S. Government Printing Office, (forthcoming), Chapter 1.
- <sup>2</sup> Advisory Commission on Intergovernmental Relations, *Financing Schools and Property Tax Relief: A State Responsibility* (A-40), Washington, DC, U.S. Government Printing Office, January 1973.
- <sup>3</sup> *Ibid.*, p. 126.
- <sup>4</sup> *Ibid.*, p. 5.
- <sup>5</sup> *Ibid.*, pp. 4, 9.
- <sup>6</sup> *Ibid.*, p. 4.
- <sup>7</sup> *Ibid.*
- <sup>8</sup> *Ibid.*, p. 9.
- <sup>9</sup> Advisory Commission on Intergovernmental Relations *Governmental Functions and Processes: Local and Area-wide* (A-45), Washington, DC, U.S. Government Printing Office, 1974.
- <sup>10</sup> *Ibid.*, p. 19.

<sup>11</sup> *Ibid.*, p. 99.

<sup>12</sup> *Ibid.*, p. 17.

<sup>13</sup> *The Federalist* 45, New York, New American Library, 1961, pp. 292-93.

<sup>14</sup> Commission on Intergovernmental Relations, *A Report to the President for Transmittal to the Congress*, Washington, DC, U.S. Government Printing Office, 1955, p. 123.

<sup>15</sup> ACIR (A-40), p. 4.

<sup>16</sup> Samuel H. Beer, “Political Overload and Federalism,” *Polity*, Amherst, MA, Fall 1977, pp. 15-16.

<sup>17</sup> V.O. Key, Jr., *The Administration of Federal Grants to States*, Chicago, Public Administration Service, 1973, p. 376.

<sup>18</sup> The Council of State Governments, *Federal Grants-in-Aid: Report of the Committee on Federal Grants-in-Aid*, Washington, DC, Council of State Governments, 1949, pp. 43-44.

<sup>19</sup> Phillip Monypenny, “Federal Grants-In-Aid to State Governments: A Political Analysis,” *National Tax Journal* 13, Columbus, OH, March 1960, p. 64.

<sup>20</sup> Morton Grodzins, *The American System: A New View of*

- Government in the United States*, Chicago, Rand McNally, 1966, p. 64.
- <sup>21</sup> James L. Sundquist, *Making Federalism Work*, Washington, DC, The Brookings Institution, 1969, p. 1.
- <sup>22</sup> James Q. Wilson, "American Politics, Then & Now," *Commentary*, New York, NY, February 1979, p. 41.
- <sup>23</sup> Advisory Commission on Intergovernmental Relations, *Summary and Concluding Observations (A-62)*, Washington, DC, U.S. Government Printing Office, June 1978, p. 65.
- <sup>24</sup> Charles L. Schultze, "Federal Spending: Past, Present, and Future," *Setting National Priorities: The Next Ten Year* eds. Henry Owen and Charles L. Schultze, Washington, DC, The Brookings Institution, 1976, p. 367.
- <sup>25</sup> James L. Sundquist, *Politics and Policy: The Eisenhower, Kennedy, and Johnson Years*, Washington, DC, The Brookings Institution, 1968, p. 179.
- <sup>26</sup> Sundquist, *Politics and Policy*, p. 102.
- <sup>27</sup> *Rural Development Act of 1972*, P.L. 92-419, Title IV, Section 401.
- <sup>28</sup> John P. Ross and Susannah E. Calkins, "The Economic Stimulus Package at Mid-Stream: The Role of State and Local Governments," *Publius* 9, Philadelphia, PA, Winter 1979, pp. 45-65.
- <sup>29</sup> John Bibby and Roger Davidson, *On Capitol Hill: Studies in the Legislative Process*, New York, Holt, Rinehart, and Winston, 1967, p. 220.
- <sup>30</sup> Lawrence E. Gladioux and Thomas R. Wolanin, *Congress and the Colleges*, Lexington, MA, D.C. Heath, 1976, p. 29.
- <sup>31</sup> For a leading exposition, see George F. Break, *Intergovernmental Fiscal Relations in the United States*, Washington, DC, The Brookings Institution, 1967, Chapters III and IV.
- <sup>32</sup> Alan K. Campbell, "Functions in Flux," *American Federalism: Toward A More Effective Partnership*, Washington, DC, Advisory Commission on Intergovernmental Relations, 1975, p. 37.
- <sup>33</sup> Commission on Intergovernmental Relations, *A Report to the President*, pp. 64, 110.
- <sup>34</sup> ACIR (A-45), p. 7.
- <sup>35</sup> *Ibid.*, p. 88.
- <sup>36</sup> *Ibid.*, p. 89.
- <sup>37</sup> Monypenny, "Federal Grants-In-Aid to State Governments," p. 11.
- <sup>38</sup> Rudolph G. Penner, "Reforming the Grants System," *Fiscal Federalism and Grants-in-Aid*, eds. Peter Mieszkowski and William H. Oakland, Washington, DC, The Urban Institute, 1979, p. 114.
- <sup>39</sup> Advisory Commission on Intergovernmental Relations, *Categorical Grants: Their Role and Design (A-52)*, Washington, DC, U.S. Government Printing Office, 1978, pp. 216-17.
- <sup>40</sup> Comptroller General, "Changing Patterns of Federal Aid to State and Local Governments," PAD-78-15, December 20, 1977, p. 38.
- <sup>41</sup> Congressional Budget Office, *Troubled Local Economies and the Distribution of Federal Dollars*, Washington, DC, U.S. Government Printing Office, 1977, p. 36.
- <sup>42</sup> *Ibid.*, p. 44.
- <sup>43</sup> *Ibid.*, p. 49.
- <sup>44</sup> G. Ross Stephens and Gerald W. Olson, "The Redistributive Function of Federal and State Governments," University of Maryland, College Park, MD, May 15, 1980.
- <sup>45</sup> Congressional Budget Office, *City Need and the Responsiveness of Federal Grant Programs*, Washington, DC, U.S. Government Printing Office, 1978, p. 75.
- <sup>46</sup> Richard P. Nathan, "Federal Grants-In-Aid: How Are They Working in 1979?," paper prepared for the Conference on the City in Stress, sponsored by the Center for Urban Policy Research, Rutgers University, New Brunswick, NJ, March 9, 1979, pp. 8, 10.
- <sup>47</sup> ACIR (A-52), p. 217.
- <sup>48</sup> *Ibid.*, pp. 208-9.
- <sup>49</sup> Sophie R. Dales, "Federal Grants to State and Local Governments: A Quarter-Century Review," *Social Security Bulletin* 39, Washington, DC, September 1976, p. 31.
- <sup>50</sup> R. Douglas Arnold, *Congress and Bureaucracy: A Theory of Influence*, New Haven, CT, Yale University Press, 1979, pp. 207-10.
- <sup>51</sup> See Brett W. Hawkins and Robert M. Stein, "Regional Planning Assistance: Its Distribution to Local Governments and Relationship to Local Grant Getting," *Journal of the American Institute of Planners* 43, July 1977, pp. 279-88.
- <sup>52</sup> Richard H. deLeone, *Small Futures: Children, Inequality and the Limits of Liberal Reform*, New York, NY, Harcourt Brace Jovanovich, 1979, p. 8.
- <sup>53</sup> Robert Plotnick and Timothy Smeeding, "Poverty and Income Transfers: Past Trends and Future Prospects," *Public Policy* 27, Cambridge, MA, Summer 1979, pp. 255-72.
- <sup>54</sup> Robert H. Haveman, ed., *A Decade of Federal Antipoverty Programs: Achievements, Failures, and Lessons*, New York, Academic Press, 1977, p. 14.
- <sup>55</sup> deLeone, pp. 74-76.
- <sup>56</sup> Christopher Jencks, et al, *Who Gets Ahead? The Determinants of Economic Success in America*, New York, NY, Basic Books, 1979, p. 311. See also Christopher Jencks, et al, *Inequality: A Reassessment of Family and Schooling in America*, New York, NY, Basic Books, 1972.
- <sup>57</sup> These estimates of externalities are based upon Break, *Intergovernmental Fiscal Relations in the United States*, Washington, DC, The Brookings Institution, 1967, p. 69.
- <sup>58</sup> Peter Passell and Leonard Ross, *State Policies and Federal Programs: Priorities and Constraints*, New York, NY, Praeger Publishers, 1978, p. 162.
- <sup>59</sup> Charles L. Schultze, "Sorting Out the Social Grant Programs: An Economist's Criteria," *American Economic Review* 64, Menosha, WI, May 1974, p. 183.
- <sup>60</sup> *Ibid.*, pp. 182-83.
- <sup>61</sup> See James A. Maxwell and J. Richard Aronson, *Financing State and Local Governments*, Washington, DC, The Brookings Institution, 3rd ed., 1977, p. 65n, and Edward M. Gramlich, "The Role of Economics in the Study of Intergovernmental Relations," paper presented at the 74th Annual Conference of the American Political Science Association, New York City, August 31, September 3, 1978.
- <sup>62</sup> Lester C. Thurow, "Cash Versus In-Kind Transfers," *American Economic Review* 64, Menosha, WI, May 1974, p. 191.
- <sup>63</sup> Kenneth A. Shepsle, "The Private Use of the Public Interest," Center for the Study of American Business, Washington University, St. Louis, MO, June 1979, p. 4.
- <sup>64</sup> Joel Havemann and Linda E. Demkovich, "Making Some Sense Out of the Welfare 'Mess'," *National Journal*, Washington, DC, January 8, 1977, p. 44.
- <sup>65</sup> V.O. Key, Jr., *The Administration of Federal Grants to States*, Chicago, IL, Public Administration Service, 1937, pp. 335-39.
- <sup>66</sup> Joel Havemann and Linda E. Demkovich, "Making Some Sense Out of the Welfare 'Mess'," *National Journal*, Washington, DC, January 8, 1977, p. 44.
- <sup>67</sup> V.O. Key, Jr., *The Administration of Federal Grants to States*, Chicago, IL, Public Administration Service, 1937, pp. 335-39.

- <sup>66</sup> Beryl A. Radin, "Can We Learn From Experience? The Case of SSI," *Policy Analysis 2*, Berkeley, CA, Fall 1976, p. 617.
- <sup>67</sup> Quote from John Palmer in Annette Kronblum, "Job Insurance's Growing Pains," *The Washington Post*, August 14, 1977, p. B4.
- <sup>68</sup> Roger H. Davidson, *Coalition-Building for Depressed Areas*, Inter-University Case Program #103, Indianapolis, IN, Bobbs-Merrill, 1966, p. 28.
- <sup>69</sup> *Ibid.*
- <sup>70</sup> Letter from Kirsten Gronbjerg, Associate Professor of Sociology, Loyola University of Chicago, Chicago, IL, May 1, 1979.
- <sup>71</sup> For a comparison of these major programs, see Havemann and Demkovich, "Making Some Sense Out of the Welfare 'Mess'," pp. 44-55.
- <sup>72</sup> Maurice MacDonald, *Food, Stamps, and Income Maintenance*, New York, Academic Press, 1977.
- <sup>73</sup> Laurence E. Lynn, Jr., "A Decade of Policy Developments in the Income Maintenance System," in Havemann, "Making Some Sense Out of the Welfare 'Mess'," p. 102. Emphasis added.
- <sup>74</sup> ACIR (A-45), p. 82.
- <sup>75</sup> *Ibid.*, p. 92.
- <sup>76</sup> These issues are discussed in more detail in Volume II, Chapter 1, "Theoretical Perspectives on Federalism," in ACIR, A-78.
- <sup>77</sup> Key, *The Administration of Federal Grants to States*, p. 383.
- <sup>78</sup> Grodzins, *The American System*, pp. 62-63.
- <sup>79</sup> Morton Grodzins, "Centralization and Decentralization in the American Federal System," *A Nation of States*, ed. Robert A. Goldwin, Chicago, Rand McNally & Company, 1963, p. 23.
- <sup>80</sup> Break, *Intergovernmental Fiscal Relations in the United States*, pp. 78-79.
- <sup>81</sup> Key, *The Administration of Federal Grants to States*, p. xiv.
- <sup>82</sup> Commission on Intergovernmental Relations, *A Report to the President*, p. 120.
- <sup>83</sup> Grodzins, *American System*, p. 382.
- <sup>84</sup> National Science Foundation, *Proceedings: Workshops on Research About State-Local Fiscal Management: An Assessment for Program Planning*, Washington, DC, Municipal Finance Officers Association, 1979, pp. 2-3.
- <sup>85</sup> Joseph S. Wholely, et al, "Evaluation: When Is It Really Needed?," *Evaluation 2*, Washington, DC, 1975, p. 89.
- <sup>86</sup> *Ibid.*, p. 89.
- <sup>87</sup> Sundquist, *Making Federalism Work*, p. 13.
- <sup>88</sup> David R. Mayhew, *Congress: The Electoral Connection*, New Haven, Yale University Press, 1974, pp. 138-39.
- <sup>89</sup> Thomas J. Anton, "Federal Assistance Programs: The Politics of System Transformation," paper prepared for the Urban Choice and State Power Conference, Center for International Studies, Cornell University, Ithaca, NY, June 1-4, 1977, p. 37.
- <sup>90</sup> Monypenny, "Federal Grants-In-Aid to State Governments," pp. 12-31.
- <sup>91</sup> Allen Schick, "Contemporary Problems in Financial Control," *Public Administration Review*, Washington, DC, November/December 1978, p. 516.
- <sup>92</sup> Anton, "Federal Assistance Programs," p. 35.
- <sup>93</sup> Nathan, "Federal Grants-In-Aid," p. 11
- <sup>94</sup> Walter Williams, *The Implementation Perspective*, Berkeley, CA University of California Press, 1980, p. 44.
- <sup>95</sup> Jeffrey L. Pressman and Aaron B. Wildavsky, *Implementation*, Berkeley, CA., University of California Press, 1973, p. 159.
- <sup>96</sup> Edward R. Fried, et al, *Setting National Priorities: The 1974 Budget*, Washington, DC, The Brookings Institution, 1973, p. 177.
- <sup>97</sup> George F. Break, "Intergovernmental Fiscal Relations," *Setting National Priorities Agenda for the 1980s*, ed., Joseph A. Pechman, Washington, DC, The Brookings Institution, 1980, p. 277.
- <sup>98</sup> Sundquist, *Making Federalism Work*, pp. 3-5.
- <sup>99</sup> Helen Ingram, "Policy Implementation Through Bargaining: The Case of Federal Grants-in-Aid," *Public Policy 25*, Cambridge, MA, Fall 1977, pp. 506-07.
- <sup>100</sup> Daniel J. Elazar, "Is the Federal System Still There?," in Advisory Commission on Intergovernmental Relations, *Hearings on the Federal Role (A-87)*, Washington, DC, U.S. Government Printing Office, forthcoming.
- <sup>101</sup> Thomas J. Madden, "The Law of Federal Grants," paper prepared for the ACIR Conference on Grant Law, Washington, DC, December 12, 1979, p. 19.
- <sup>102</sup> See Chapter 1, "The Question of Federalism: Key Problems," ACIR (A-77), pp. 3-34.
- <sup>103</sup> Madden, "The Law of Federal Grants," p. 2.
- <sup>104</sup> Quoted in Jerome Murphy, "The Education Bureaucracies Implement Novel Policy: The Politics of Title I of ESEA, 1965-1972," *Policy and Politics in America*, ed., Allan P. Sindler, Boston, MA, Little, Brown & Co., 1973, p. 194.
- <sup>105</sup> Quoted in Eugene Eidenberg and Roy Morey, *An Act of Congress*, New York, W.W. Norton & Co., Inc., 1969, p. 93. Emphasis added.
- <sup>106</sup> Beryl Radin, *Implementation, Change, and the Federal Bureaucracy*, New York, Teachers College Press, 1977, pp. 146, 211.
- <sup>107</sup> Stephen K. Bailey and Edith K. Mosher, *ESEA: The Office of Education Administers a Law*, Syracuse, NY, Syracuse University Press, 1968, pp. 144, 148.
- <sup>108</sup> Juan Cameron, "How CETA Came to Be A Four-Letter Word," *Fortune*, Chicago, IL, April 9, 1979, p. 112.
- <sup>109</sup> *Ibid.*, p. 113.
- <sup>110</sup> Quoted in Martha Derthick, *Uncontrollable Spending for Social Service Grants*, Washington, DC, The Brookings Institution, 1975, pp. 3-4.
- <sup>111</sup> Phillip M. Gregg, "Food Stamp Administration and Reform: The Intergovernmental Perspective From Illinois," paper prepared for presentation to the 39th National Conference on Public Administration, Phoenix, AZ, April 9-12, 1978, p. 2.
- <sup>112</sup> MacDonald, *Food Stamps, and Income Maintenance*, p. 76.
- <sup>113</sup> *Rural Development Act of 1972*, P.L. 92-419, Title IV, Section 401.
- <sup>114</sup> The following discussion is based upon Mavis Mann Reeves, "Politics, Public Policy, and Intergovernmental Relations: The Rural Community Fire Protection Program," paper prepared for delivery at the 1979 Annual Meeting of the American Political Science Association, Washington, DC, August 31-September 3, 1979, pp. 76-81.
- <sup>115</sup> James E. Drier and Edmund Ursin, *Pollution and Policy: A Case Essay on California and Federal Experience with Motor Vehicle Air Pollution, 1940-1975*, Berkeley, CA, University of California Press, 1977, p. 297.
- <sup>116</sup> Charles O. Jones, *Clean Air: The Policies and Politics of Pollution*, Pittsburgh, The University of Pittsburgh Press, 1975, p. 176.
- <sup>117</sup> Steve Muller, "A New American University?," *Daedalus* 107, New York, NY, Winter 1979, p. 31.
- <sup>118</sup> Excerpts from remarks printed in the *Congressional Record*, March 10, 1975, p. S5828.

- <sup>119</sup> Albert L. Alford, "The Education Amendments of 1978," *American Education*, Washington, DC, March 1979, p. 7.
- <sup>120</sup> Samuel Halperin, "Federal Takeover, State Default, or a Family Problem?," *Federalism at the Crossroads: Improving Educational Policymaking*, ed. Samuel Halperin, Washington, DC, Institute for Educational Leadership, 1976, p. 19.
- <sup>121</sup> Edith K. Mosher, "Intergovernmental Relations in Education: The Old and the New," *Southern Review of Public Administration* 3, Montgomery, AL, June 1979, p. 52.
- <sup>122</sup> Joseph Cronin, "The Federal Takeover: Should the Junior Partner Run the Firm?," in Halperin, ed., "Federal Takeover, State Default, or a Family Problem?," pp. 2-3.
- <sup>123</sup> For a listing of programs by function, see Advisory Commission on Intergovernmental Relations, *A Catalog of Federal Grant-In-Aid Programs to State and Local Governments: Grants Funded FY 1978 (A-72)*, Washington, DC, U.S. Government Printing Office, 1979.
- <sup>124</sup> For a summary, see Advisory Commission on Intergovernmental Relations, *Block Grants: A Comparative Analysis (A-60)*, Washington, DC, U.S. Government Printing Office, 1977.
- <sup>125</sup> Advisory Commission on Intergovernmental Relations, *The Comprehensive Employment and Training Act: Early Readings From a Hybrid Block Grant (A-58)*, Washington, DC, U.S. Government Printing Office, 1977, p. 56.
- <sup>126</sup> Comptroller General, *Federally Assisted Employment and Training: A Myriad of Programs Should Be Simplified (HRD-79-11)*, Washington, DC, General Accounting Office, May 8, 1979, pp. 11-12.
- <sup>127</sup> *Ibid.*, p. iii.
- <sup>128</sup> *Ibid.*, p. 39.
- <sup>129</sup> *Ibid.*, p. 40.
- <sup>130</sup> Mosher, "Intergovernmental Relations in Education," p. 54.
- <sup>131</sup> Alford, "The Education Amendments of 1978," pp. 8-9.
- <sup>132</sup> *Ibid.*
- <sup>133</sup> Richard P. Nathan, "Special Revenue Sharing: Simple, Neat, and Correct," unpublished manuscript, quoted in Advisory Commission on Intergovernmental Relations, *Block Grants: A Comparative Analysis (A-60)*, p. 4.
- <sup>134</sup> ACIR (A-45), p. 90.
- <sup>135</sup> *Ibid.*, p. 91.
- <sup>136</sup> Richard H. Leach, *American Federalism*, New York, W.W. Norton & Co., 1970, p. 57.
- <sup>137</sup> *The Federalist* #10, New York, NY, New American Library, 1961, p. 83.
- <sup>138</sup> Sundquist, *Politics and Policy*, pp. 510-11.
- <sup>139</sup> Leach, *American Federalism*, p. 115.
- <sup>140</sup> Grant McConnell, *Private Power and American Democracy*, New York, Vintage Books, 1966, pp. 109, 114.
- <sup>141</sup> William Riker, *Federalism: Origin, Operation, Significance*, Boston, Little, Brown & Co., 1964, p. 155.
- <sup>142</sup> Sundquist, *Making Federalism Work*, p. 250. Emphasis is original.
- <sup>143</sup> ACIR (A-45), pp. 91-92.
- <sup>144</sup> *Ibid.*, p. 91.
- <sup>145</sup> Grodzins, *The American System*, p. 335.
- <sup>146</sup> Selma J. Mushkin, "Barriers to a System of Federal Grants-in-Aid," *National Tax Journal*, Columbus, OH, September 1960, p. 199.
- <sup>147</sup> Monypenny, "Federal Grants-In-Aid to State Governments," pp. 14-15.
- <sup>148</sup> Bayless Manning, "Hyperlexis: Our National Disease," *The Congressional Record*, March 16, 1978, pp. S3948-3952.
- <sup>149</sup> Aaron Wildavsky, *How To Limit Government Spending*, Berkeley, CA, University of California Press, 1980, p. 46.
- <sup>150</sup> Neal R. Peirce, "The State of American Federalism," *National Civic Review*, New York, NY, January 1980, p. 5.
- <sup>151</sup> James L. Sundquist, "The Crisis of Competence in Government," *Setting National Priorities: Agenda for the 1980s*, ed., Joseph A. Pechman, Washington, DC, The Brookings Institution, 1980, pp. 531-63.
- <sup>152</sup> John E. Bebout, "On the Essentiality of Trust in Public Affairs," *National Civic Review* 68, New York, NY, November 1979, p. 526.
- <sup>153</sup> David Cohen, "Responsible Managers and Accountable Institutions," *The Bureaucrat* 7, Alexandria, VA, Winter 1978, p. 17.
- <sup>154</sup> *Public Opinion*, Washington, DC, October/November 1979, p. 29.
- <sup>155</sup> Robert J. Samuelson, "Fragmentation and Uncertainty Litter the Political Landscape," *National Journal*, Washington, DC, October 20, 1979, p. 1726.
- <sup>156</sup> Remarks of Secretary Joseph A. Califano, Jr., Department of Health, Education, and Welfare, before the Economic Club of Chicago, Illinois, April 20, 1978, pp. 5-6.
- <sup>157</sup> Anthony King, "The American Polity in the Late 1970s: Building Coalitions in the Sand," *The New American Political System*, ed., Anthony King, Washington, DC, American Enterprise Institute, 1978, pp. 390-91.
- <sup>158</sup> Richard E. Cohen, "A Report Card for Congress—An 'F' for Frustration," *National Journal*, Washington, DC, August 11, 1979, pp. 1326-30.
- <sup>159</sup> Remarks at a "thinker's session" in the ACIR offices, December 13, 1978.
- <sup>160</sup> Rep. Lee H. Hamilton (D-IN), quoted in Richard E. Cohen, "Tinkering with House Rules," *National Journal*, Washington, DC, August 25, 1979, p. 1417.
- <sup>161</sup> Califano, pp. 4-5.
- <sup>162</sup> Joseph Kraft, "Presidency in Decline," *The Washington Post*, August 12, 1979, p. B7.
- <sup>163</sup> Henry F. Graff, "Presidents Are Now Mayors," *New York Times*, July 18, 1979, p. A-23.
- <sup>164</sup> Dom Bonafede, "Not What It Used to Be," *National Journal*, Washington, DC, December 15, 1979, p. 2111.
- <sup>165</sup> Michael J. Malbin, *Unelected Representatives: Congressional Staff and the Future of Representative Government*, New York, Basic Books, 1980, p. 242.
- <sup>166</sup> Stephen K. Bailey, *Congress Makes a Law: The Story Behind the Employment Act of 1946*, New York, Vintage Books, 1950, p. 181.
- <sup>167</sup> *Ibid.*, p. 41.
- <sup>168</sup> *Ibid.*, p. 100.
- <sup>169</sup> *Ibid.*, p. 237.
- <sup>170</sup> Vincent J. and Vee Burke, *Nixon's Good Deed: Welfare Reform*, New York, Columbia University Press, 1974, pp. 195-97. The foregoing account also relies heavily on the Burke's analysis.
- <sup>171</sup> Richard A. Liroff, *A National Policy for the Environment NEPA and Its Aftermath*, Bloomington, IN, Indiana University Press, 1976, p. 35.
- <sup>172</sup> Edith K. Mosher, Anne H. Hastings, and Jennings L. Wagoner, Jr., *Pursuing Equal Educational Opportunity: School Politics and the New Activists*, New York, ERIC Clearinghouse on Urban Education, Columbia University, 1979, p. 11.
- <sup>173</sup> Andrew Fishel and Janice Pottker, *National Political and Sex Discrimination in Education*, Lexington, MA, Lexington Books, 1977, p. 132.
- <sup>174</sup> Aaron Wildavsky, *Speaking Truth to Power: The Art and Craft of Policy Analysis*, Boston, MA, Little, Brown, & Co., 1979, p. 62.
- <sup>175</sup> Gary Orfield, *Congressional Power: Congress and Social*

*Change*, New York, NY, Harcourt, Brace, Jovanovich, 1975, p. 136.

<sup>176</sup> John E. Sawyer, "Leadership for Today's Colleges," *The Washington Post*, December 16, 1978, p. A15.

<sup>177</sup> "Education Department Wins Final Approval," *Congres-*

*sional Quarterly*, September 29, 1979, p. 2112.

<sup>178</sup> General Accounting Office, *Environmental Protection Issues Facing the Nation* (CED-79-63), Washington, DC, U.S. General Accounting Office, March 15, 1979, p. 29.

<sup>179</sup> *Ibid.*, p. 31.





# The Federal Role In The Federal System: Analysis Of Basic Findings, Key Questions Raised, And Recommendations

## FINDINGS

**I**n this study, *The Federal Role in the Federal System*, the Commission has identified dramatic changes in the system that have occurred during the past two decades. These changes, when combined with some key standpat political attitudes and practices, have produced neither a dual nor a cooperative brand of federalism but an increasingly dysfunctional form of federalism. Contemporary intergovernmental relations, our research shows, have become more pervasive, more intrusive, more unmanageable, more ineffective, more costly, and above all, more unaccountable.

### The Signs

The prime symptom of this deepening dysfunctionality is the continuing tendency to “intergovernmentalize” seemingly everything that becomes a public issue—and, increasingly, everything becomes a public issue. Its signs are everywhere, as previous chapters have documented; hence there is no need here to detail the degree to which:

- The old line between private and public concerns has been obliterated.
- The very real distinctions between federal and state-local matters of the early 1960s have been lost.

- State and local budgets have become much more fiscally dependent on grant revenues.
- State and local programs are involved in intergovernmental fiscal transfers, conditions, and court orders.
- State and local regulatory processes are circumscribed by federal statutory and court sanctioned constraints.
- State and local policies and administrative processes have been affected by the Supreme Court's extraordinary expansion of what is "absorbed" within the orbit of the Fourteenth Amendment.
- Federal grants-in-aid have been "used" during the 1970s to serve national regulatory—not promotional, supportive, or additive—purposes.
- State and local governments have been "used" to implement wholly national policies.
- The federal government has been "used" to further what not so long ago would have been a wholly local or, at best, a state concern.

The details of these manifestations of incessant intergovernmentalization are variously chronicled in this 11-volume ACIR study.

### Some Underlying Causes

The underlying reasons for them are highlighted throughout the seven case studies and the two background volumes and they are analyzed in some depth in the two previous chapters. To recapitulate briefly, it has been the erosion of certain basic constraints on national expansion that has nurtured these troublesome trends. In the Constitutional realm, this actually began in the 1920s, accelerated in the late 1930s, and soared in the 1960s and 1970s. With politics, the shedding of the older inhibitions began in the 1930s and almost completely disappeared during the past 15 years. In the public finance area, the real decay of fiscal discipline started in the 1960s and continued to the present, with some concern over deficit spending reemerging as a constraint in the late 1970s. In terms of the key actors in this drama, that distinctive product of the open-access, uncohesive, largely unprogrammatic American political system—the individual policy entrepreneur—held center stage. From the

1930s through the 1970s, these mostly Congressional entrepreneurs pushed their favorite program initiatives from conception to enactment—sometimes in conjunction with converging broad political and historical forces (as in the 1930s and 1960s) and sometimes not (as in the 1970s). Most always, the resulting greater federal involvement was in the regulatory or grant assistance areas, not in the national government's direct servicing role. Most always the policy entrepreneur's effort was more clearly seen during the frequently lengthy battle to achieve initial passage of a measure and less clearly recognized in the adoption of key expansionist amendments during subsequent rounds of reauthorizations. While these actors have always played a role in the system, their number and output increased significantly beginning in the mid-1960s and this was directly the result of the converging collapse of the older systemic constraints that began at the same time.

**Judicially**, the Supreme Court had ceased to be the "umpire of the federal system," and more accurately could be described as either spectator or player. From an intergovernmental perspective, this was and is reflected in its fairly steady adherence to the New Deal Court's passivity regarding Congress' seemingly unbridled right to regulate commerce, even for mandating purposes, and Congress' willingness to use it in areas undreamed of before 1960. Only a few decisions of the 20-year period suggest some sensitivity regarding the states' police power and only the *National League of Cities* case suggests an actual judicial willingness to curb the commerce power.

This absence of an umpiring role is even more dramatically reflected in the federal judiciary's unwillingness to check Congress' power to spend for the general welfare, even when some of the conditions attached to grants in the 1970s have amounted to coercion or arbitrary intrusion into the administrative and decisionmaking processes of state and local governments.<sup>1</sup> The Tenth Amendment's basic protection in the grant-in-aid area, this 58-year-old judicial theory still holds, is the presumed capacity of the states and localities to say "no" to a grant.

The third major manifestation of a nonjudicious approach to federalism is reflected in the activist stance of the Court through its extraordinary expansion of what is subsumed under the Fourteenth Amendment. This includes not only broad interpre-

tations of the “equal protection” and “due process” clauses, but also the steady “absorption” within the Amendment of most of the federal Bill of Rights.<sup>2</sup> While the Court’s commitment to the protection of individual rights should be applauded, its concomitant failure to assess few, if any, of the institutional impacts of its decisions may not.

**Fiscally**, the federal government began the period with a much stronger revenue system than that of the states and the localities. Buttressing the federal fiscal strength in the 1960s were its broad-based income tax, the responsiveness of this levy to conditions of growth and inflation, the growing acceptance of deficit spending, the separate system for financing social insurance, and the ability to shift funds from defense to the domestic sector and vice versa as in the case of Vietnam. These combined to produce the notion in the 1960s that “the resources are there, if only we have the political will to tap them.” The myth of the federal cornucopia thus was born.

Soaring federal outlays (especially in the grants area), mushrooming deficits, and six tax rate cuts during the period 1969-79 all bear witness to the popularity and credibility of this myth. Only in the late 1970s was there a growing recognition that it was and is a myth.

**Politically**, the changes in attitudes, in the mode and extent of participation, and in the process itself over the past two decades probably have been the most dramatic. American political history suggests that the major parties either singly or in combination have provided their own self-serving cluster of constraints on the expansion of the federal role in the system. Political factors made questions of federalism a perennial source of campaign and Congressional debate from Washington to Kennedy, and they combined to keep the federal inter-governmental role a comparatively modest one clear through to the mid-1960s. The Constitutional constraints after all had collapsed by the late 1930s, and the fiscal were largely linked to the political. Yet over the past decade and a half, most of these political curbs have declined. Witness:

- the steady decline in the strength of local and territorial interests in the governmental and political processes;
- the rapid rise recently of a host of newer

types of interest groups at the national level based on social, participatory/consumer, and environmental causes, alongside the traditional and increasingly fragmented economic and programmatic groups;

- the increased efforts on the part of state and local governments to lobby Washington, even as their own traditional political strength at the national level was growing weaker—thanks to this growing array of programmatic, social, participatory, and demographic groups that are vertically organized and usually aligned against them and to the growing insensitivity of their national legislators to their jurisdictional worries;
- the steady erosion in the capacity of the two major parties to “absorb” and “reconcile” all of these interests in primaries and in national conventions;
- the steady deterioration of the capacity of the political branches of the national government to “pacify” this plethora of pressure groups, especially in a period of ostensibly “democratic” and “open access” Congressional “reforms” and of a populist Presidency;
- the steady decline since the 1960s in the voting differences between Democrats and Republicans in the Congress on federal role and grant-in-aid issues; and
- the slow but clear change in the manner that Congress handles grant and grant-related legislation, from a largely partisan and ideologically dominated, usually executive-branch-initiated, yet geared to reaching a rough consensus process in the 1960s—to a functionally oriented, Congressionally dominated, cooptive process in the 1970s.<sup>3</sup>

Some explain all this in terms of the Goldwater candidacy in 1964 and the resultant Johnson landslide victory and the overwhelming Democratic margins in the 89th Congress. For the first time, an activist Democratic President could rely, if need be, solely on northern party members. The product by 1968 was over 249 new aid programs and the concomitant piercing of dozens of heretofore impregnable program “legitimacy” barriers.

The causes of these developments, the Commis-

sion finds, are more varied and more complex. Pre-eminent among the forces shaping these developments has been the most complex of all our national institutions: Congress. As *Table 2* shows, only Congress played a consistently crucial role in each of the seven program areas reviewed in the Commission's case studies. The Congressional role was particularly significant in the originating phase of the policy process, for in the initiation of programs, no other actor eclipses the individual Congressional entrepreneur or issue activist. Our findings belie the notion that Congress acts as a great rubber stamp for Presidential, bureaucratic, or interest group initiatives. In fact, in many instances the opposite would be far closer to the truth.

Hence, increasingly over the past 15 years, legislation encompassing an ever-growing range of domestic concerns has issued forth from Capitol Hill. Because of this hyperresponsiveness, everything reaches the national agenda: there is little ordering of priorities (the SALT debate rages side by side with debate over federal funds for the repair of local potholes and jellyfish control succeeds while welfare reform fails), and there is little time or capacity for understanding the consequences of legislation. Policy is made in a "pass now, pay later" atmosphere.

Other key contributing factors include: (1) the basic shifts in popular attitudes regarding what is a public issue and the need for an activist governmental role, especially on the part of the federal government;<sup>4</sup> (2) the progressive narrowing of partisan differences in Congress on federal role questions (even as the political rhetoric on the campaign trail seems to get even more polemical and punitively anti-Washington); (3) the ease with which almost every interest group in the 1970s can establish a Washington office and the equal relative ease with which many of them "get a hearing" before Congressional committees and administrators; (4) the pulverizing in the 1970s of the already heavily pluralistic power structure of Congress—thanks to ostensibly democratic reforms and a soaring rate of retirements; and (5) the emergence of a lower-profile Presidency, especially in his roles as policy-initiator and program manager. All of these have combined to erode most of the older political constraints that kept the bulk of domestic governmental issues and programs completely out of the Washington arena.

What flows from this, of course, is a national

party system that is much less able to perform its twin historic missions—of serving as interest group broker and of building (or preserving) national consensus. It leads to confusion in official role-playing. Presidents act almost as frequently in a mayoral or a gubernatorial role as in a national Presidential one and Congress plays a municipal and county council, not to mention the state legislative role, almost as often as it acts as a national deliberative body. It has produced a situation where no level or set of officials is performing the functions it is best suited to perform. All these political changes have combined to produce a process wherein federalism's basis for functioning—a rough division of labor among the levels—has been ignored and incessant and intrusive intergovernmentalization up and down the line has been the inevitable result.

### The Crucial "No Change" Area

Even with these drastic changes in the constitutional, fiscal, and political areas, the dysfunctional traits of contemporary American federalism would not be as disturbing as they are if continuing elements of "standpatism" also were not present. Where then have there been *no* basic changes? The critical cluster of static attitudes and practices include:

- no basic change in the size of the federal bureaucracy and in the Presidential and Congressional desires (regardless of party or ideological persuasion) to keep it relatively small, despite an ever mounting number of assignments given to it;
- no basic change in relying almost exclusively on grants-in-aid as the primary instrumentality for carrying out the national government's prime domestic servicing responsibilities;<sup>5</sup>
- no basic change, as the above would suggest, in the national government's direct servicing role—from that of 1960 (or of 1940, for that matter);
- no basic change in the Congressional and Presidential view that relying on state and local governments and administrators even for the most "national" of programs is "administratively convenient," less costly,

*Table 2*  
**MAJOR ACTORS AND FORCES IN POLICY DEVELOPMENT AND GROWTH**

	Functional Fields—ACIR Case Studies						
	Public Assistance	Elementary and Secondary Education	Higher Education	Environment	Unemployment	Libraries	Fire Protection
<b>Internal Policy Actors</b>							
Congress	x	x	x	x	x	x	x
President		x			x		
Interest Groups		x		x		x	x <sup>2</sup>
Bureaucracy				x	x		x
Courts		x		x			
<b>External Policy Actors</b>							
Public Opinion	x <sup>1</sup>			x			
Elections							
Political Parties					x		
Press	x <sup>1</sup>			x			
<b>Environmental Influences</b>							
Demographic and Social Trends	x	x	x				
Dislocations (war, depression)	x		x			x	

<sup>1</sup>Food stamps only.

<sup>2</sup>Interest groups were crucial in the creation of the U.S. Fire Administration only.

a curb on federal bureaucratic growth, and more politically acceptable;

- no basic change in the dominance of the old public administration approach to intergovernmental program management—that with adequate conditions and sanctions state and local administrators can be rendered properly accountable, hence a part of a “chain of command” whose pyramidal peaks are in Washington;
- no change in the belief that with the right formula or the right administrator (depending on the form of the grant) equity and “targeting” can be achieved;
- no real change in the incapacity of most concerned observers to comprehend and to criticize effectively this supermarbled system; and
- finally, no basic change in the belief of most state and local officials and their representational groups in Washington that federal aid is a first-rate way of alleviating their fiscal pressures and that federal aid can be had without federal conditions.

These continuing attitudes and conditions along with their very real policy and political implications have complemented growing individual Congressional activism, the passivity/activity dichotomy of the federal judiciary, the earlier comfortable condition of the federal treasury, and the rapid flowering of fragmenting interests in “explaining” the critical contemporary state of the system. In their own way, these attitudes and practices have permitted the erroneous impression that the system still functions pretty much as it did in the Eisenhower and Kennedy years. But anyone who can count the number of state and local bureaucrats, of federal programs, of mandates and across-the-board conditions attached to federal grants, and of instances where the federal courts are actually running certain state and local operations—knows better.

### **Where Stands the System?**

In combination, these attitudes along with the changed political and earlier economic conditions, noted above, have led to an overloading of the intergovernmental system. The most national of concerns (income maintenance, health insurance, and

welfare) are still intergovernmentalized, while the most local of matters (potholes, rat control, libraries, policemen’s pensions, jellyfish control, urban parks, aquaculture, and the like) have become intergovernmentalized. The most major as well as the clearly minor and the most national as well as the most local and even private concerns are all part of what cooperative federalism now encompasses. Yet, in truth, there is too little cooperation and a lot of inevitable conflict. Cooperation after all rests on shared goals and mutual trust, rare commodities in this period of controversial and unclear program goals, creeping conditionalism, and chronic buckpassing.

A rather fanciful form of federalism, then, has emerged. Basic policies in most program areas appear to be made in Washington either by the Court or Congress. Their implementation is achieved through decisions, orders, mandates, conditions, regulations, and the lure of federal subsidies by 12 million state and local civil servants. And, in the end, the fancy becomes caprice because the subnational governments, their elected officials, and bureaucracies are capable of highly differentiated responses to all this—in terms of compliance, cooperation, participation, and conflict.

Equally fanciful is any notion that the federal aid system as a whole protects the interests of the needy or equalizes levels of public service. The logrolling style—whether explicit or, more often, implicit—through which most grant programs are adopted frequently precludes any careful “targeting” of fiscal resources. “What’s in it for me?” is the watchword for Congressmen (and their folks back home), for special interest lobbies, and for bureaucrats as well. Questions of equity are too often ignored in the scramble for benefits. If they were a genuine concern, direct federal performance of the function at least would be raised as a serious issue, but the last time this occurred was in the middle 1930s. Though disguised in the rhetoric of redistribution, distributive politics is the hallmark of these actions.

Matters of operational efficiency also are seldom brought into focus, either before or after the fact. Potential benefits are usually dramatized; potential costs are frequently ignored. Many intergovernmental programs are poorly designed to accomplish their stated objectives. On the contrary, their objectives are seldom specified in operationally meaningful terms, sometimes because they are unachievable. Furthermore, few

programs are evaluated once they are in place; consequently, fewer still are modified or eliminated.

Above all, perhaps, no real debate has occurred regarding the questionable administrative assumptions on which grants' management rests. Instead, the federal bureaucracy has been condemned from all sides for its apparent ineptitude and inefficiency. The political sector—in the executive branch, Congress, and most of the press—somehow expects a wholly politicized nonsystem of grants and conditions to behave as a rational system that conforms or could conform to the traditional principles of public administration. Endless efforts have been made since 1967 to the present—through legislation, management circulars, and even reorganizations—to render this nonsystem more manageable. Yet, the basic failure of all these efforts has not sunk in. The lesson that these experiences should have taught has not been learned. The reasons for this lie in the pervasiveness and continued popularity of three myths:

- The myth that it makes no difference whether the number of grants to be “managed” is 130 or 500; whether they involve merely physical and economic development programs or a wide mix, including a variety of “soft” social and educational endeavors; and whether they go merely to states or to practically all but a handful of subnational governments;
- The myth that the cutoff-of-cash threat, conditions, and supporting court cases, in some instances, are adequate to control state and local administrators in the same way as if they were all part of one administrative system; and
- The myth that the President has ample authority, time, and inclination to focus steadily on this “no win” proposition, hence that more “M” in OMB, more government-wide circulars, and more rearranging of interest group-dominated administrative units will somehow do the trick.

But where does this leave the electorate? Frustrated, alienated, often angry! The system has become largely incomprehensible even to those whose job it is to have an overall understanding of it. No wonder the average citizen, who is skeptical of politics and politicians but who still trusts our

basic governmental institutions, is frustrated by the complexity, confusion, cost, and occasional corruption of the system. If in a democratic federal republic, the citizens—not to mention the key administrators and prime politicians—are unable to comprehend the most basic aspects of policy formulation and implementation other than in terms of personality appeals, special interests, and rhetoric relating to leadership, where stands the system? If all of the norms relating to a functioning system—again, effectiveness, efficiency, equity, accountability, and some operational notion of national priorities—are too often slighted, the same question arises: Where stands the system?

Yet, the system as it has emerged since the mid-1960s makes eminent sense in short-range, pressure group, and political terms. From this perspective, it works! It helps elected officials to get reelected; it provides manifold opportunities to individual members of Congress to play “ombudsman” and to parlay this role into a political asset; it keeps a range of interests somewhat “pacified”; and it leaves the federal bureaucracy as the villain in the drama. It also conveys the impression of a governmental response and of responsiveness. It has helped keep the majority party together and provided valuable lessons on how the minority might become the majority. But does any of this make sense for the nation as a whole, or for either its constituent governments or citizens? The Commission thinks not!

## Summary Commission Findings

In light of these various findings and our interpretation of them . . .<sup>6</sup>

- **The Commission concludes that the current network of intergovernmental relations has become dangerously overloaded, to the point that American federalism's most trumpeted traditional traits—flexibility and workability—are critically endangered.**
- **The Commission further concludes that this threatening condition largely has come about as a consequence of a rapid expansion in the overall scope, range of specific concerns, and coercive character of the federal role in the federal system, because of the erosion of various**

political, judicial, and fiscal factors that formerly disciplined the national political process and of the emergence and growing strength of interest groups—both public and private.

- The Commission obviously recognizes that while certain governmental activities necessitate an intergovernmental approach it believes that the almost unbridled tendency of the part of the national government and the political process that sustains it to thrust nearly all of the nation's most national domestic concerns, as well as an ever-multiplying number of parochial and even private concerns, into the intergovernmental arena reflects a feeble faith in the problem-solving capacity of the various partners in the federal system.
- The Commission believes further that this permits the national government to avoid some of its most basic domestic governmental responsibilities, while cluttering up its agenda with issues that more properly belong on that of a municipal or county council, a school board, or a state legislature.
- Finally, the Commission concludes that neither equity (in the sense of giving due attention to jurisdictions or people in need), nor administrative effectiveness, nor economic efficiency, nor above all political, electoral, or administrative accountability are furthered by this tendency to intergovernmentalize practically all domestic questions, nearly all sub-national governmental functions, and the bulk of the national government's own civil governmental obligations.

## RECOMMENDATIONS

### Future Scenarios

Other than the deeply disturbing prospect of more of the same—more aid programs, more formal conditions and constraints, more buckpassing, and fewer real dollars—at least three basic alternative reformist strategies confront anyone concerned with the condition of the system.

On the two extremes stand the “system is

already responding” and the “system requires drastic Constitutional change” schools of thought. The former is based on a reading of recent events that suggests that the system's hyperresponsiveness in the 1970s to the immediate concerns of a plethora of pressure groups also applies to the long-range basic concerns of the electorate. Advocates of this approach note the emergence recently of some elements of fiscal and political constraint. The early years of the last decade witnessed the disappearance of the “fiscal dividend” that the prosperity of the 1960s had generated and which had helped fuel the expansion of the public sector, they note. Growing pressures for budget balancing as a means of curbing inflation have arisen, so their argument runs, and inflation is now deemed the number one public finance and political agenda item. In addition, they warn, defense outlays are slated to rise and the Social Security system appears to be in need of alternative sources of funding, both probably at some cost to domestic programs. The Carter budgets for FY 1980 and 1981, Congress' recent handling of its own reformed budget procedures, and talk of revamping the Congressional power structure are cited in evidence of a new behavioral pattern. These incrementalists also warn that no drastic reform proposals are really necessary and that continuing political pressures will correct the imbalances, inefficiencies, and ineffectiveness of the present system—thus rendering it more accountable and simpler to the electorate. In short, the alarmist approach to interpreting past trends and to prescribing corrective courses of action is rejected by this group and a traditional trust in the innate responsiveness and responsibility of the system is relied on, instead.

Opponents of this incremental strategy, and this Commission is among them, counter with the argument that fiscal retrenchment in domestic program areas need not involve basic intergovernmental program and regulatory reform, but merely a cutback or static growth in aid dollars. On the basis of current and projected experience, they argue, this approach only adds up to as many (if not more) aid programs and probably more conditions attached thereto, but less money in constant dollar terms. From the state and local perspective, as well as that of the system as a whole, they warn, this would be the worst of nearly all possible worlds. To accept the “already responsive” thesis, they claim, is to ignore the undiminished dynamics



## The ACIR Strategy

of interest group lobbying and Congress' perennial tendency when confronted with fiscal constraints to adopt the "the parity of pain principle." This leads to no real assessment of intergovernmental programs and regulations, to avoiding the choice between those grants that make sense from those that are nonsense, of separating out those concerns that are genuinely intergovernmental from those that are patently parochial and political. Instead, budget cuts are distributed on a rough across-the-board basis among departments and agencies, with few programs suffering extinction.

At the other extreme, the Constitutional reformers contend that the political pressures are too great, that the system's responsiveness continues to be excessive, and that Constitutional curbs are needed to foster an environment in which national decisionmakers more easily can say "No!" The proposed curbs range from the less dramatic, like Constitutional limitations on taxing or spending and the changing of the terms of House members (and sometimes of the President) to the most drastic, which involve the instituting of a quasi-parliamentary system, the redrawing of state boundaries, and a clarification of state powers. But most in this school argue for the more elemental of the Constitutional changes, since they view the present political and governmental systems as reciprocals of one another. Only a total overhaul of the government then will achieve the changes in both that are necessary to promote greater political cohesion and accountability, greater administrative effectiveness and rationality, greater capacity to plan and anticipate—not simply endlessly to react; greater recognition of the utility of federalism in a transcontinental nation like ours; and above all, a greater understanding among the American electorate of how, why, and for whom the governmental system operates.

Opponents of this approach, including this Commission, argue that full-scale Constitutional review is neither feasible nor desirable, that it departs too drastically from the American tradition and that reforms—short of the whole-scale Constitutional variety—can do the job. If any of the major Constitutional reform approaches could muster significant strength, they contend, then the existing system already would respond without having to tinker with our basic charter.

Between these two policy extremes stands a realistic, but relatively radical school of reform thinking to which this Commission now adheres.

Six components constitute the Commission's approach to applying this general policy position to the most critical of the challenges confronting the system. Each rests on a rejection of the incrementalist and full-scale Constitutional revision alternatives.

Unlike the former, each represents a less sanguine view of the various aspects of the system's current operations. Unlike the latter approach, the six—both separately and collectively—reflect a due deference to our Constitutional heritage and an awareness that programmatic, political, pressure group, as well as a few formal Constitutional factors have brought the system to its present parlous state. Each then constitutes a separate attack on a separate contemporary problem in the system. But they combine to form an overall strategy, since they basically are interrelated and interdependent. Action on only one of these fronts will not suffice then, but a persistent push on all will go far toward achieving a decongested, disciplined, administerable, and accountable system—a worthy goal for a nation soon to celebrate its Constitutional bicentennial. The focal points of this multifaceted strategy are: (1) programmatic, (2) procedural, (3) political, (4) public interest group, and (5) Constitutional.

The first addresses directly the prime problem identified in this study: the overloading of the intergovernmental network. Hence, it insists that a determined federal-state-local effort be mounted to decongest the grant system and to disengage in certain program areas. To achieve this, elements of both centralization and devolution inevitably come into play in the functional trade-offs called for here, even as certain major program areas remain heavily intergovernmentalized.

The second basic reform proposal moves beyond the Commission's earlier recommendations (grant consolidation, sunset legislation, and income tax indexation) for injecting greater discipline and managerial sense into the operations of the national government. It goes on then to stipulate additional ways of achieving these goals, including fiscal notes for federally mandated costs on state and local governments, the temporary suspension by the President of difficult-to-implement or unimplementable national policy conditions attached to grant programs, and regulatory impact analyses.

The third plank in this strategy addresses some

of the more obvious defects in our major national parties: their weak policy development process, the reduced role of their elected officials in party conclaves, and the proliferation of Presidential primaries. Strengthened parties, the Commission believes, are a necessary counterweight to the persistent, penetrating, and even paralyzing pressures of the growing number of interest groups.

The fourth component in this agenda for the 1980s centers on the public interest groups and in diverse ways seeks to enhance the "public" and the system-saving roles they sometimes, but more often, should assume. The overriding purpose here is to dramatize the fact that the national organizations representing state and local elected officials also have an obligation to help decongest and to discipline the system and this now involves a bold defense of their jurisdictional integrity as well as a determined effort to address the critical servicing assignment question. Cooperative federalism and its many derivatives, in fact, have become cooptive federalism, and the public interest groups have paramount responsibility to help reverse this destructive course.

The Commission's strategy for decongesting and disciplining the system also recognizes the need for a better public and official understanding of what Constitutionalism and federalism mean in theory and in practice and for a Presidential convocation of key federal, state, and local officials at the earliest feasible opportunity to consider ways and means of eliminating or at least curbing the politically imposed inflexibilities and the other dysfunctional features of the current intergovernmental system. Finally, the Commission calls for a complete clarification of the Constitutional amending process and urges a raising of the state initiating option to the same level of dignity and legal certainty as the familiar Congressional alternative possesses.

Decongestion, discipline, and greater managerial dependability—these are the hallmarks of this ACIR strategy. While to some these may appear to be restorationist—going back to the early 1960s or late 1950s—the Commission views them as essentially futuristic, in the sense that the intergovernmental relations of the 1980s will have far greater need of them than the far simpler system of 20 years ago.

What is more, the Commission views these goals and our proposed means of achieving them as essential to bringing some greater realism and re-

sponsibility to the system. Its present enfeebled state is largely reflective of our collective adherence to a fairly fanciful concept of federalism, as was noted earlier. A psychiatrist might deem it symptomatic of the schizophrenic state of the collective American mind. On the one hand, there is the pretentiousness of the national government concerning itself with nearly every variety of public and even private service, the illusion that its corporal's guard of grant administrators is authoritative and able enough to "run" the programs, and the delusion that nationally dictated, but interest group sustained, crosscutting policy goals in three dozen or more areas cumulatively have neither a fiscal nor an individual program distorting effect.

Counterposed to these unreal dimensions of our current national political behavior are the real dimensions of present intergovernmental relations. There is a Presidency that has neither the time nor the authority to organize effective intergovernmental operations. There is a Congress that can neither oversee nor overlook with impunity 500 conflicting, largely interest-group-conditioned categoricals which represent its chief contribution to the system. There is a federal judiciary that has lost its historic stabilizing rudder in its forays into nearly every aspect of governmental responsibilities and individual rights. In the past, much of this judicial endeavor compensated for the intractability of the political process and the political branches in providing adequate answers to pressing social questions, but now the issue is whether the judiciary is capable of considering the systemic effects of its decisions, of reconciling conflicting positions reflected in the multiple lines of its opinions, and of recognizing that the protection of individual rights and claims to equal treatment can only be effectively met in a system where conditional order is certain and continuing.

Finally, the national parties now do little more than ratify the results of primaries, pacify pressure groups, and build platforms that neither further consensus nor propose real policies. When a geometric increase in the number of interest groups coincides with a series of crypto-democratic reforms in the nation's political institutions, the historic function of the parties as basic arbiters of what are really national issues and concerns is bound to collapse. And this has been the case for the past dozen years at least.

When these elements of reality blend with the

unreal, the confusion in roles noted earlier almost inevitably results. Moreover, in terms of servicing, the division of labor that every federal system contemplates is lost. Yet, Presidents are not mayors; Congressmen are not county commissioners; and judges are not state legislators. Presidents have three basic concerns if they are to survive electorally and historically: to conduct a decent foreign policy, to help maintain an adequate common defense, and to help assure the viability of the national economy. Almost the same may be said of Congress. All else is secondary, tertiary, or unnecessary.

Clearly, the system now needs decongestion, discipline, and a realistic definition of roles more than at any other point in our history. The six recommendations advanced here, the Commission believes, merit special consideration by policymakers at all levels as well as by the public-at-large. Each in its own way addresses an undeniable defect in our increasingly dysfunctional system. When combined, they constitute a grand strategy for ending the era of fanciful federalism and for beginning a new chapter in the 200-year history of American intergovernmental relations. And this new one could, should, and must be a chapter wherein our system's much admired historic traits of flexibility, functionality, and faith in the essential worth of the American proposition are again dominant.

## **RECOMMENDATION 1 Decongesting the Federal Grant System**

The Commission concludes that the federal government has overused the grant-in-aid mechanism, sometimes giving the state and local governments roles in certain programs that could be handled best by the federal government itself, while at other times establishing a federal role in programs better left to state and local governments. In these cases, the grant mechanism often unnecessarily complicates the administration of the program, confuses political and program accountability, reduces effectiveness, interferes with economic efficiency, and rarely achieves equity goals. Hence . . .

**The Commission reiterates and strongly reendorses its earlier recommendation that the nation's excessively intergovernmentalized system be corrected by action of the Congress and the**

**President to (1) reexamine federal, state, and local roles in and contributions to the principal functional areas of public policy, including assessments of the desirability of fully nationalizing some functions while reducing, eliminating or forestalling federal involvement in others; (2) assess the interrelationships among the full range of programs in each policy field; and (3) consider the possible use of instruments other than grants-in-aid to realize national objectives.<sup>7</sup>**

**The Commission also reaffirms its earlier recommendation that the federal government assume full financial responsibility for the provision of Aid to Families With Dependent Children, Medicaid, and General Assistance.<sup>8</sup>**

**The Commission now recommends further that, in addition to the above, the federal government move toward the assumption of full financial responsibility for those existing governmental programs which are aimed at meeting basic human needs for employment security, housing assistance, medical benefits, and basic nutrition.\* In assuming full financial responsibility, the federal government should take steps to ensure uniform levels of benefits, adjusted for cost of living variations, and consistent nationwide administration.\*\***

**At the same time, separately or in conjunction with efforts to implement the above federal proposals, the Commission recommends that the number of remaining federal assistance programs should be reduced very substantially, through termination, phase-out, and consolidation. As recommended by the Commission previously, the most likely candidates for consolidation should be those which are or could be made: (a) closely related in terms of the functional area covered; (b) similar or identical with regard to their program objectives; and (c) linked to the same type(s) of recipient governmental jurisdictions.<sup>9</sup> The primary candidates for termination**

---

\*Representatives of HUD and OMB supported Recommendation 1, except for naming specific programs for full federal financial responsibility.

\*\*The question of eligibility for benefits under this fully federal program was debated by the Commission at some length. The Commission agreed that coverage should extend beyond those holding citizenship, but perhaps not as far as to encompass illegal aliens. Since this issue was highly complex and beyond the scope of the research undertaken by the staff, the Commission did not adopt precise wording on the subject of eligibility.

**and phase-out should include: (a) the approximately 420 small federal categorical grant programs which account for only 10% of all grant funds; (b) programs in functional fields in which federal aid amounts to approximately 10% or less of the combined state and local outlays, including federal aid; (c) programs which do not embody essential and statutorily clearly stated national objectives, or which are too small to address significantly the need to which they relate; (d) programs, especially small ones, which have high administrative costs relative to the federal financial contribution; (e) programs which obtain—or could obtain—most of their funding from state and/or local governments, or fees for service, or which could be shifted to the private sector.**

The prime problem addressed in this recommendation is the fact that the national government offers state and local governments nearly 500 separate grant programs. These range in size from more than a dozen large multibillion dollar programs to over four dozen small programs of less than \$1 million each. (See *Appendix Table A-1*.)

It is estimated that approximately 63,000 of the nation's 80,000 state and local governments receive one or more such grants. Many states and large local governments receive so many different federal grants that they have hired specialists simply to apply for them and keep required records. Grantsmanship has become a recognized profession. Many private consultants make a living at it.

Federal grant programs are available for a very wide range of activities. They encompass such broad fields as agriculture, community and economic development, education, employment and training, fire safety, food and nutrition, health, housing, law enforcement, occupational safety, social services, transportation, and welfare. Many of these fields are the traditional provinces of state and local governments. Federal entry has occurred primarily in recent decades. Now, the federal government is simply into everything.

Although federal grants are, as a legal matter, voluntarily accepted by state and local governments, the practical reality is that many jurisdictions must have the federal funds to make ends meet. This necessity for state and local participation in the federal aid system has been used by the government to multiply the effects of its policies throughout the nation far out of proportion to the

amount of federal funds and federal personnel committed.

As a practical matter, the federal government has taken over policy leadership in virtually every functional field in which it offers aid, despite the fact that its funding is predominant only in the income maintenance and housing fields. General national policies on matters such as civil rights, opportunities for the handicapped, and protection of the environment—to cite only a few of the more than 60 such requirements—are attached to most grants, along with each grant's own policy requirements. Thus even when a grant is small the national policy component is large. For example, the federal government provides only about 10% of public primary and secondary education funds in the nation, but has heavy influence over nearly every public school.

Administratively, federal grants too often frustrate effective and efficient public service by state and local governments. Some are so narrowly drawn that what needs to be done is ineligible for funding. Most bear so much red tape as to waste time and resources which should be spent on program objectives. Many are spread so thinly and targeted so poorly that they do not meet their objectives, or meet them only marginally.

Political accountability often is confused when program dollars, policymaking, and administration are shared so widely. Under these conditions, no one is sure exactly who should be held responsible when the aid program falters. In fact no single body or official can be tagged or expected to remedy the difficulty single-handedly.

In short, a condition of overload has arisen from: (1) the seemingly endless proliferation of aid programs into areas wholly national (like social welfare programs) or wholly local or even private, as well as into activities that legitimately are of an intergovernmental nature; (2) the expansion of eligibility to reach directly almost all of the categories of subnational governmental activity; (3) the advent of more conditions and more national policy requirements; (4) the mounting difficulty of any level or unit within a level to keep track of, not to mention oversee, the system; and (5) the public's growing disenchantment with a system that seems out of control.

This overloading of the federal grant system, as documented more fully throughout the Commission's series of reports on *The Federal Role in the Federal System*, is undeniable. Over the past two

decades, particularly, the system has grown almost without limits, adding more programs in more functional areas, more dollars and greater state-local reliance on federal financing, and more federal policy guidance on top of state and local policies. This growth is responsible for the burgeoning amounts of red tape, along with the substantial confusion of goals, responsibilities, and accountability at both the political and administrative levels, noted above.

Of course, there is much on the positive side as well. Federal grant programs have created many common efforts to meet the needs of the nation and the diverse jurisdictions within it through the involvement of the federal, state, and local governments—as well as other recipients—working together. While the results are imperfect, many national needs are being met this way. These programs often provide desperately needed funds to the state and local governments. They also have the potential of giving state and local governments and their elected officials a significant voice in determining how national goals are to be achieved within their jurisdictional boundaries; they can help to keep the federal bureaucracy from growing; they can help to keep program administrators close to the people being served; they can help to maintain at least some degree of political accountability at the jurisdictional level where services are being delivered; they have in some instances helped equalize individual and economic opportunities across diverse jurisdictional boundaries throughout the nation; and they can help to enhance state and local governmental capabilities.

Yet, many of the present federal grant programs do not achieve these potentials. The reasons are numerous, including: (1) the existence of too many separate federal grant programs, often too narrowly drawn, and burdened with excessive paperwork requirements; (2) vague legislative objectives supplemented by overly restrictive federal administrative regulations and judgments; (3) funding levels unequal to meeting stated objectives; (4) confusion of roles and responsibilities among program administrative units at the various levels involved; (5) inadequate management capability at all levels to meet the unusually demanding circumstances and unique styles of intergovernmental administration; (6) inadequate allowance for different modes of administering programs which vary greatly by size, powers, and structures of aided

governments; and (7) the heavily political setting in which many of these grants operate.

Some feel that these difficulties can be corrected by strengthening the processes in Congress and the executive branch that bear directly on the enactment and reenactment of grant programs and regulations. Others focus on the need for a strong, pervasive, persistent, and popularly as well as public interest group supported drive for grant consolidations. A third group argues strongly that incremental procedures and even grant mergers are inadequate and calls for a dramatic decongestion of the intergovernmental arena. In this group's view, the functional assignment pattern has become almost totally botched up by the federal aid system and some sorting out of programs and activities is mandatory if any semblance of an authoritative, sensible system, with the national as well as state and local governments having some genuine discretion, is to be resurrected. In effect, the Commission adheres to all these positions, though it believes that all, not merely one, of these approaches is now necessary.

To still other observers, the forces which have created the present federal aid system seem irreversible. Increasingly, the nation's economy, sense of community, and debates on public policy issues have been coalescing at the national level, they contend. Airplanes, the national press, television, mass marketing, influential books, the ascendancy of national interest groups of all types, plus other technological and social factors, they feel, are unifying the nation and pushing increasing numbers of public policy issues to the national level where they receive greater attention. This attention comes from the national media, entrepreneurial members of Congress, national interest groups, and the national administration which is backed up by a professional and well paid bureaucracy. This array of potential support for national programs, they point out, often is more effective than that found at the state or local levels. It is not likely, then, in the view of these observers, that the grant system could be made less pervasive. Perhaps its growth may be slowed somewhat, as the new federal fiscal constraints now on the horizon become stronger and as the potential range of federal aid fields is filled, but actual decreases in the range of program concerns would not be expected.

Middle range reformers, and the Commission numbers itself among them, are less pessimistic about change. They claim that real opportunities

for improving the grant system can be expected in the realms of program simplification, consolidation, and sorting out. These would reduce some of the administrative burdens now associated with federal grants, allow greater policy discretion to be exercised by state and local grant recipients, and strengthen accountability at all levels.

While stressing better systemic processes and grant consolidations, they feel that more is needed. The systems' improvement and consolidationist approaches alone, even with a heavy dose of federal consultation with grant recipients, they assert, will not be enough to convert the present array of grants into a smoothly functioning, manageable system of federal aid. They propose, therefore, a major reassignment of functions in which the federal government would take full responsibility for certain functions now aided (like welfare, medical benefits, and other social insurance programs), while eliminating the federal role and aid in a range of petty grants where the federal contribution is minor, in those programs where the administrative costs are disproportionately high, and/or in those that are funded at low levels. Such actions not only would reduce the scope of the federal aid, but might also substantially increase the size of the federal budget and bureaucracy, as beneficiary payments are brought up to equitable and reasonable levels and as federal "administration" becomes something more than check-writing. At the same time, state and local bureaucracies could be reduced. Moreover, the funds freed up at the state and local levels would be available for the range of activities now aided by hundreds of project and small formula grants. On balance, proponents of such functional trade-offs believe that the grant system and the nation would be well served by such a decongesting strategy.

Despite these differing views about what is realistic and what is necessary, the present overload on the grant system is a major concern. ACIR began to recognize some significant difficulties in the grant system as early as 1961 (shortly after the Commission was created), then focused on them in a major way in 1967, and returned to them again in the latter part of the 1970s. Now, the Commission is addressing the grant system's increasing overload once again.

ACIR is not alone in addressing this problem, but this is a problem which will not be solved easily, even with attention from many quarters. While the Commission stands by its earlier recommendations

for various reforms of the federal grant system, it now concludes that even more all-inclusive action is needed in the 1980s. This recommendation, therefore, calls for a reduction in the grant system overload through federal assumption of full responsibility for certain programs along with full devolution of responsibility to state and local governments for other programs.

Before examining this new policy more closely, it is instructive to review previous ACIR recommendations concerning federal grant reforms, as well as related recommendations from other sources. As long ago as 1961, ACIR found evidence that various federal aid projects in metropolitan areas were being approved without proper coordination, and that most grant programs, once enacted, were not subject to adequate review and modification or termination in accordance with current national needs. Based upon these findings, the Commission recommended the use of metropolitan planning agencies to review and comment upon federal aid applications for a variety of physical facilities grants in metropolitan areas,<sup>10</sup> and the enactment by Congress of a general statute providing for the periodic review of federal grant programs.<sup>11</sup> Three years later, the Commission found that federal aid to urban areas was still not coordinated, so it adopted another recommendation calling for a unified federal urban development policy and federal aid coordination procedures in accordance therewith.<sup>12</sup>

ACIR's first comprehensive evaluation of the federal grant system occurred in 1967 and produced a series of recommendations calling for a reduction of the number of federal grant programs by at least half through the consolidation of narrow categorical grant programs into broader block grants (beginning with vocational education and programs for water and sewer facilities), passage of a new general support grant for state and local governments without federal strings attached (what is now known as the General Revenue Sharing Program), enactment of joint funding simplification, standardized matching ratios, apportionment formulas, and planning requirements, simplified auditing, and coordinated administration of grant programs within the federal establishment.<sup>13</sup>

In two succeeding reports, ACIR recommended specific allocations of certain fiscal and functional responsibilities among the levels of government. A 1969 report called for the national government to assume full financial responsibility for public as-

sistance (including general assistance and Medicaid) while the states were called upon to assume substantially all responsibility for financing education.<sup>14</sup> In 1972, the Commission concluded that local property tax relief and equalization of school finances among school districts within the states should remain state responsibilities, and that an expanded federal role in these areas was neither necessary nor desirable.<sup>15</sup>

Then, in 1977—ten years after its first comprehensive evaluation of the federal grant system—the Commission returned to this broad topic with a new 14-volume study. That study reemphasized the need for reducing the now much larger number of categorical grant programs by at least half by means of consolidation, and expanded the list of potential mergers from the original two program areas (vocational education and facilities for water and sewage) to 24 program areas encompassing 170 programs.<sup>16</sup> The Commission also reformulated its earlier periodic review recommendation into support for current sunset proposals, and addressed several other needs for facilitating and simplifying the administration of grant programs, including the standardization, simplification, and reevaluation of the appropriateness of a growing set of national policy requirements now having general applicability within the federal grant system.<sup>17</sup> This same study also focused considerable attention on, and made several recommendations concerning, the need to enhance general management capabilities and structures within the federal government for interprogram and intergovernmental coordination, both at the headquarters level and in the field.

These recommendations urged, among other things, strengthening and better use of the following mechanisms for such coordination: the executive office of the President, the federal regional councils, interprogram grants management offices in each major department and agency, interagency agreements, interagency committees, and the A-95 federal aid review and comment clearinghouses at each level of government, including the federal level.<sup>18</sup> Finally, the 1977 study, in its concluding volume, added a recommendation calling for “reexamination of federal, state, and local roles in and contributions to the principal functional areas of public policy, including assessments of the desirability of fully nationalizing some functions while reducing, eliminating or forestalling federal involvement in others . . .” and crystalized the full

set of recommendations into a fivefold strategy for improving the present federal aid system through simplification, consolidation, sensible conditioning, effective evaluation, and reallocation of roles.<sup>19</sup>

ACIR is not alone, by any means, in its concern about the burdens which the federal aid system (and even broader activities of the federal government) place upon the nation’s federal system of government.

Recent years have been filled with concerns for these burdens expressed by many other quarters. For example, legislation was passed in late 1974 (P.L. 95-556) to establish the Commission on Federal Paperwork, and that commission began publishing its three dozen reports in mid-1976. The last of its reports was issued in October 1977.<sup>20</sup> In addition, the Commerce Department issued a January 1977 report urging regulatory reform;<sup>21</sup> the Senate Committee on Governmental Affairs worked throughout 1977 and 1978 and issued a series of reports on the same subject;<sup>22</sup> and Herbert Kaufman at the Brookings Institution published a major report on the reduction of paperwork in June 1977.<sup>23</sup> Furthermore, the *Federal Grant and Cooperative Agreement Act of 1977* produced a report from OMB in March 1980 geared toward streamlining the federal aid system.<sup>24</sup> At about the same time, GAO prepared a report summarizing nearly a decade of its research on intergovernmental relations and federal aid.<sup>25</sup> These reports struck many similar themes concerning simplification, consultation, and consolidation—building to a crescendo in 1979-80 when Congress began to focus on the need for administrative and regulatory reform and when some began to label it “The Oversight Congress.”<sup>26</sup>

While the regulatory reform reports go beyond this discussion of the grant system, they also evidence parallel concerns about the burdens and overloads resulting in part from excessive intergovernmentalization in that sector of activity as well. Some of the resulting legislative proposals for regulatory reform would apply to administrative rulemaking in grant programs as well as to the activities of the independent regulatory commissions and agencies.

Of more direct relevance to the federal aid system are the several hundred recommendations of the Paperwork Commission aimed at reducing the amount of paperwork required by federal aid activities (as well as activities resulting from federal

regulations, federal taxes, federal surveys and research, and other sources). To summarize very briefly, the Paperwork Commission urged that top policy officials throughout the federal government direct their attention to paperwork problems, using a new "service management" philosophy to evaluate the various means of achieving public policy while minimizing their paperwork impact on the federal government itself, as well as on state and local governments, businesses, and the public-at-large. It suggested the use of paperwork impact assessments, both when legislative and administrative proposals were being formulated, and at such times as existing laws and regulations may be reviewed under sunset provisions.

The goals would be to simplify and consolidate federal programs, requirements, and reporting procedures at every opportunity, and to reorganize the government when that would help to reduce paperwork burdens. A "Department of Administration" was recommended to group together a wide variety of information-gathering and data management activities so that the concept of "managing information as a resource" could be enhanced throughout the government. This would entail coordinating federal requests for information, sharing available information, indexing such information for easy reference, using plain English, and so on. Finally, public participation was called for in this process to help assure that these goals would retain the vitality brought by interested outside parties.

Following publication of the Paperwork Commission's reports, and in accordance with the legislation establishing the commission, OMB established a followup process designed to promote and monitor action on the recommendations. OMB has issued three semi-annual progress reports, and a final (fourth) report is due in 1980. The third claimed considerable success in implementing commission recommendations,<sup>27</sup> and the President issued an executive order in November 1979 to expand and accelerate the paperwork reduction effort.<sup>28</sup> Nevertheless, GAO has found the process to be less effective than claimed and has called for stronger leadership in the executive branch and additional legislation to spur effective follow-up.<sup>29</sup>

Kaufman's report on red tape, like the Paperwork Commission's report, summarizes and assesses a broad range of proposals for reducing the burdens of federal activities. These include (1)

shrinking the government, (2) devolving federal policy, (3) concentrating authority, and (4) manipulating pecuniary incentives. Here is what he says about them:

The first two attribute red tape primarily to the size of the federal government and recommend drastic reductions in federal activities, either by simple withdrawal of many kinds of services and cessation of many forms of regulation or by a transfer of functions to state and local governments, which are at least smaller than their federal counterpart and are said by some of their champions to be "closer to the people." The third ascribes red tape largely to the autonomy of departments and bureaus in the executive branch and urges stronger central controls as a way of offsetting the chaos and confusion produced by the multitude of free-wheeling units. The fourth attempts to avoid the extremes by using government authority in a new way—to provide incentives to private interests to do what the government wants instead of employing regulation or government operation for this end.<sup>30</sup>

According to Kaufman, the advocates of these strategies put much more faith in them than is justified by experience. He believes that the quantity of red tape will continue to grow.<sup>31</sup>

Kaufman, then, expects to see no panaceas in reducing red tape. Instead, he believes that there will always be red tape and the best that can be done is to keep it "under control and endurable." He expects moderate relief from the worst abuses to come through the normal political process, as "pointed demands for specific actions" develop at particular pressure points. He also sees increased casework by the members of Congress as a significant means of helping individual constituents deal with Washington's complexities, and sees hope that the recently established Federal Information Centers of the General Services Administration (GSA) and other ombudsman-like organizations will help citizens to find their way through the federal maze. Eventually, he sees the possibility that automation may help to reduce red tape by transferring and combining records on individuals and businesses, rather than requiring such information to be resubmitted over and over again. But, even here, he is not sure, because of the resistance based



upon the fears that privacy may be invaded and government may become too all-powerful. So, Kaufman sees red tape as something to be chipped away at continuously, with little hope of ever achieving final victory over it.

The Comptroller General's 1979 summary of its recent reports on intergovernmental policies emphasized the needs for standardizing and simplifying federal aid administration, improving coordination among programs, consolidating programs, and using proper types of grants in appropriate situations. In looking to the future, this report noted the tendencies for increasing numbers of complex problems to be laid at the federal government's doorstep, while the short-term forecast for federal aid indicates a substantial slowing in the growth of funds. These trends, GAO expects, will "generate much intergovernmental conflict . . ." as an expression of "a functional tension between the increasing mutual interdependence among all levels of government and the desire of each level to preserve its own autonomy and political prerogatives."<sup>32</sup>

The *Federal Grant and Cooperative Agreement Act of 1977* (P.L. 95-224) required still another major study of issues concerning the management of federal assistance programs. OMB responded with a massive set of working papers in August 1979, which it circulated for review and comment,<sup>33</sup> and a final report in March 1980.<sup>34</sup> The purpose of this study was to help resolve a broad range of issues relating to the management of federal aid, and to help establish a streamlined management system for implementing the various types of federal assistance programs. The final report lists a large number of actions being taken by the executive branch in this direction and calls upon Congress for additional legislation to spur those efforts. Emphasis is placed upon the consolidation of grant programs and reducing the burdens of generally applicable policy and administrative requirements in the federal aid system.

These major studies, cited above, add up to a "conventional wisdom" that chipping away at grant reforms little-by-little is the best way to proceed. Indeed, there were various efforts in this direction undertaken during the 1970s. Some were "structural," while most were "procedural". Among the former was the policy of the Nixon Administration's New Federalism of returning some of the powers which the federal government had been exercising in domestic programs to the state

and local governments.<sup>35</sup> Its three major successes in this regard were enactment of the General Revenue Sharing (GRS) Program, the *Comprehensive Employment and Training Act*, and the Community Development Block Grant Program.

Though not completely devoid of red tape, the GRS program has considerably less than any other federal grant program. All states and virtually all general purpose local governments receive funds under this program without even submitting applications.<sup>36</sup> These funds are subject to considerably fewer federal policy requirements than those which apply to other grants, and carry relatively modest administrative reporting requirements. The receiving governments also have virtually unlimited discretion concerning the purposes for which the funds may be spent. Since 1972, when the program was enacted, it has become the favorite of governors, county officials, and mayors who openly state that if federal grants must be cut, those cuts should be made in other programs.<sup>37</sup>

The block grants created in the fields of employment and training (1973) and community development (1974) each consolidated a number of preexisting categorical programs and thus offered their recipient local governments substantially more discretion in the use of funds. While neither program is nearly as free of red tape as GRS, both were significant improvements over their former categorical programs in this respect.<sup>38</sup>

Thus, it was demonstrated that the form of federal grant programs can affect both the amount of red tape and the degree of policy discretion retained by the grant recipients. More traditional "procedural" efforts in the Nixon years produced reductions in processing time and the size of applications in some 80 federal aid programs, and standardization of a wide range of administrative requirements.<sup>39</sup>

In 1974, the Ford Administration introduced by executive order, a requirement for inflation impact statements to accompany Administration program proposals deemed to have significant economic effects. This requirement was interpreted from the beginning to apply to major regulatory activities, and led the Council on Wage and Price Stability to apply benefit-cost analyses to them.<sup>40</sup> While such analyses have not produced startling changes in the operation of federal regulatory agencies, they have become useful in appraising the performance of regulatory agencies, and have spurred these agencies to acquire the skills of economic analysis

and to begin applying such skills in their decision-making processes.<sup>41</sup>

The Carter Administration also actively addressed the need to reduce burdens imposed by federal grants. In July 1977, the President issued a memorandum to the heads of all departments and agencies directing them to review all of the planning requirements attached to federal aid programs, with a view toward eliminating, consolidating, or simplifying them wherever possible. OMB was assigned the task of coordinating this effort, and produced a report in October 1977 containing an inventory of the planning requirements for over 150 federal programs administered by 16 federal agencies and accounting for more than \$60 billion in the FY 1976 budget.<sup>42</sup> This report also identified present and potential efforts by federal agencies to respond to the President's objectives. OMB has followed up on this effort, at the President's direction, and seems to have settled into a fairly long-range process which has begun to produce some results. In March 1979, OMB released a progress report enumerating improvements in planning requirements in the Departments of Agriculture; Health, Education, and Welfare; Interior; and Justice; as well as the Environmental Protection Agency and the Appalachian Regional Commission.<sup>43</sup>

In September 1977, just two months after the planning requirements memorandum, President Carter issued another memorandum to the heads of executive departments and agencies calling for reductions in federal red tape for state and local grant recipients, with particular attention to application and reporting requirements, procedures for making grant payments, and necessary revisions of regulations. This time, the White House itself, in cooperation with ACIR, monitored the results. One year later, the White House reported a number of identifiable achievements and pledged continuing efforts along these lines,<sup>44</sup> though ACIR found sufficient evidence of deficiencies to formally recommend: (1) reissuance of the memorandum as a strengthened executive order, (2) an improved consultation mechanism for state and local government involvement in federal rulemaking, (3) easier certification of compliance with federal policies in the process of applying for federal aid, and (4) advance appropriations for federal aid to help ensure adequate program planning and continuity.<sup>45</sup>

Still another directive of a similar nature was is-

sued by President Carter in March 1978. This one was an executive order on the topic of regulatory reform (including administrative rulemaking for federal aid programs). It requires the agencies to:

- analyze the costs and benefits of major proposed regulations and provide good reasons if they choose options other than the least expensive;
- ensure that their top officials supervise the regulation-writing process;
- provide increased opportunity for public participation in the process;
- regularly review existing regulations and weed out those that are outdated; and
- write their regulations in plain English.<sup>46</sup>

This executive order supersedes and restates President Ford's order requiring inflation impact statements. On September 15, 1979, OMB reported to President Carter that some progress had been made toward compliance with this new executive order, but that much still remained to be done.

In 1979-80, a number of bills were being considered by the 96th Congress which would establish processes for sunset review of most federal programs (including federal aid, federal regulatory activities, and others), reform federal regulatory and rulemaking activities (which would put a statutory basis behind President Carter's executive order and might go even further), and reform the federal aid system (by encouraging the consolidation of existing narrow categorical programs into larger block grants, combining and simplifying numerous generally applicable federal aid requirements for easier administration and more uniform compliance, and using other means).

It is clear from these activities that both the Congress and the executive branch recognize the need to reduce burdens imposed on others by the federal government, and to make the far-flung federal establishment more manageable. This includes reform of the federal aid system, where some progress is being made.

Nevertheless, the record also shows very clearly that net increases in the number of grant programs continue (amounting to about 50 from 1975 through 1978), and that new policy initiatives continue to move the management of grant programs into increasingly greater complexities buttressed

by multiplying pages of formal rules and regulations. Grant consolidations have not become a large factor. While there have been a few small ones from time to time, there are still only three major ones: Partnership for Health initiated in 1966, Comprehensive Employment and Training initiated in 1973, and Housing and Community Development initiated in 1974.

Several major proposals by President Nixon (in the fields of education, law enforcement, rural development, and transportation)<sup>47</sup> and by President Ford (in the fields of health care, education, and child nutrition) failed in Congress.<sup>48</sup> Consolidation proposals advanced by the Carter Administration (for FY 1981) encompass only four relatively modest sets of programs, two of these are to be accomplished administratively. The four proposals are: (1) legislative consolidation of three experimental youth employment programs; (2) legislative consolidation of three vocational rehabilitation programs, combining them with a previous consolidation; (3) administrative consolidation of five fish and wildlife management programs; and; (4) administrative consolidation of an unspecified number of health planning requirements (including at least 11 state health plans) and some health service grant programs.<sup>49</sup> Thus, the grant reform achievements actually realized to date have been insufficient to produce a net streamlining of the federal aid system. The enactment of new programs has outrun the consolidation and oversight processes so heavily relied upon in these various efforts.

In this recommendation, the Commission stresses full national responsibility for certain programs combined with devolution to the state and local levels or the private sector of responsibilities for others. This "trade-off" is advised as a major method of decongesting the federal grant system. At the same time, it is meant neither to detract from nor to decrease the effort that must be mounted to simplify and consolidate the remaining grant programs.

The new features of this recommendation are: (1) a bolder approach to the federal assumption of certain responsibilities (potentially expanding beyond welfare and medicaid to encompass related human needs for jobs, housing, and basic nutrition); (2) a serious attempt to establish uniform administration consistent with the national responsibility (including the possibility that this might mean direct administration by federal employees in at least some cases); and (3) returning full responsibility

for certain other programs to the state and local governments or the private sector.

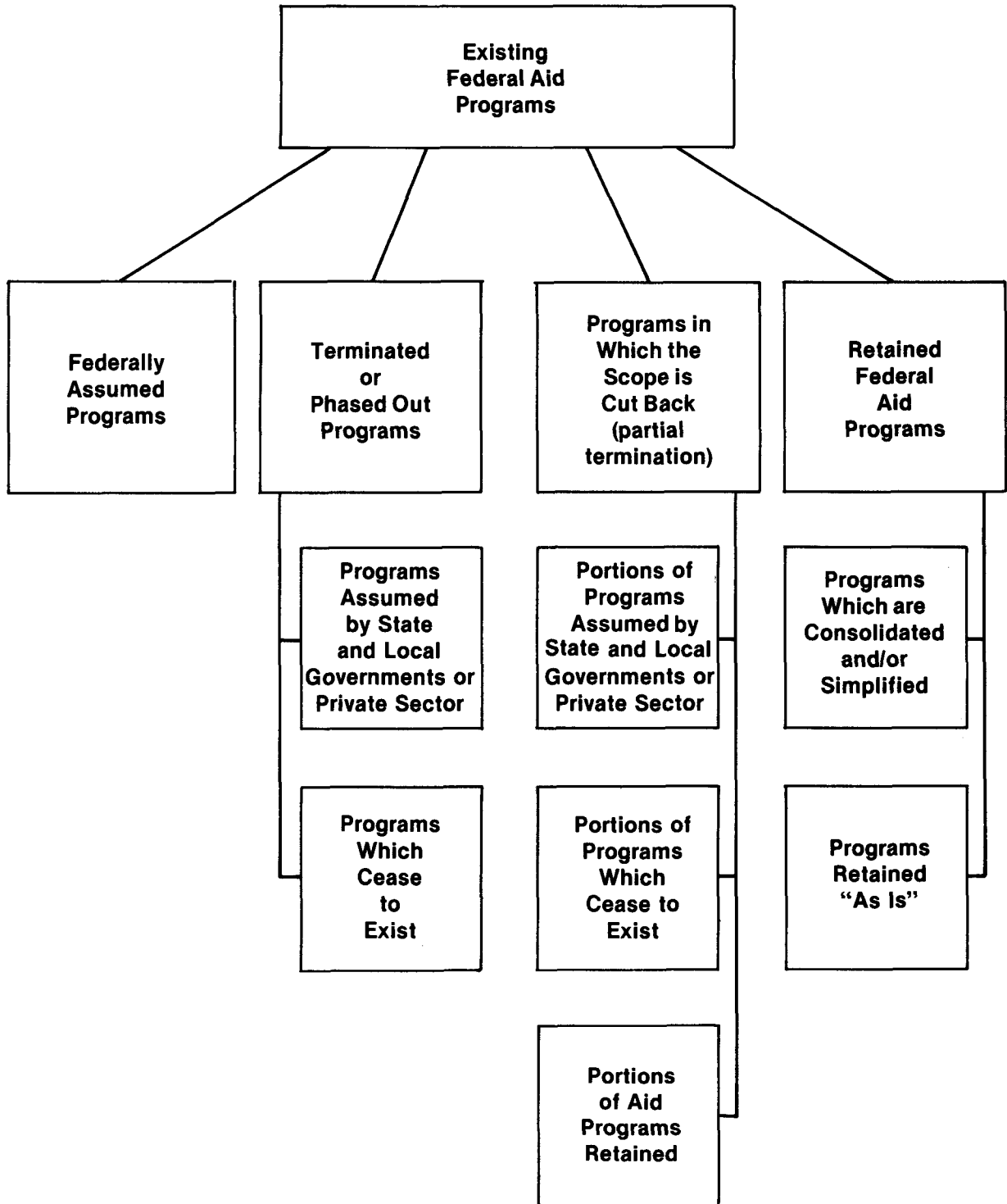
There are a wide variety of specific "trade-off" packages that would be consistent with the Commission's general policy recommendation. Here, purely for illustrative purposes, we offer a tentative proposal based upon the assumption that the financing of nationally assumed responsibilities would approximately equal the financing responsibilities turned back to the state and local governments, so that the total revenue needs of the various levels of government remain substantially unchanged. This might well be unrealistic. Our primary goal, however, is to unburden the federal aid system and the political processes that sustain it, rather than to alter substantially present revenue structures.

The net effect of this decongesting recommendation, along with older recommendations for simplification and consolidation, is depicted schematically in *Chart 2*. The important points highlighted in this chart are:

- Terminated or phased out federal aid programs may cease to exist if they are not assumed by state and local governments.
- Some existing federal aid programs might be partially terminated through some form of cutback in their scope. Some of these cutbacks would be picked up by the state and local governments, while others might not be.
- Of those federal aid programs retained completely, most would be consolidated and simplified, while a few might remain essentially unchanged.

*Table 3* shows census figures for governmental expenditures in 11 major functions, broken down by their federal and state-local shares. The federal share of total expenditures is large for the functions of airports (77%), housing and urban renewal (88%), natural resources (90%), public welfare (67%), and social insurance (94%). In this tabulation, public welfare includes medicaid, food stamps, and social services as well as the more traditional components of aid to families with dependent children and general assistance. Broad program areas in which the total federal share is small to moderate include education (16.5%), fire protection (less than 1/10 of 1%), highways (26%), health and hospitals (32%), libraries (10.3%), and police and corrections (10.5%).

*Chart 2*  
**STRATEGY FOR  
 DECONGESTING THE FEDERAL GRANT SYSTEM**



*Table 3*  
**GOVERNMENTAL EXPENDITURES FROM GENERAL FUNDS,  
 SELECTED FUNCTIONS, BY LEVEL OF GOVERNMENT, 1977**  
 (millions of dollars)

Functions	Level of Government			Total Federal Expenditures as Percent of All Government Expenditures	Federal Intergovernmental Funds as Percent of	
	All	Federal	State-Local		All	State-Local
<b>Airports</b>	\$ 3,834	\$ 2,936	\$ 1,617	77.0%	—	—
Direct	—	2,217	—	—	—	—
Intergovernmental	—	719	—	—	19.0%	44.0%
<b>Education</b>	118,750	19,594	110,758	16.5	—	—
Direct	—	7,992	—	—	—	—
Intergovernmental	—	11,602	—	—	9.7	10.5
<b>Fire Protection</b>	4,802	—	4,802	—	—	—
Direct	—	—	—	—	—	—
Intergovernmental	—	4	—	—	—	0.08
<b>Highways</b>	24,886	6,474	24,609	26.0	—	—
Direct	—	277	—	—	—	—
Intergovernmental	—	6,197	—	—	25.0	25.0
<b>Health and Hospitals</b>	33,086	10,599	22,487	32.0	—	—
Direct	—	8,135	—	—	—	—
Intergovernmental	—	2,464	—	—	7.4	11.0
<b>Housing and Urban Renewal</b>	6,044	5,314	3,699	88.0	—	—
Direct	—	2,345	—	—	—	—
Intergovernmental	—	2,969	—	—	49.0	80.0
<b>Libraries</b>	1,518	156	1,362	10.3	—	—
Direct	—	53	—	—	—	—
Intergovernmental	—	103	—	—	6.8	7.6
<b>Natural Resources</b>	26,298	23,701	4,225	90.0	—	—
Direct	—	22,073	—	—	—	—
Intergovernmental	—	1,628	—	—	6.0	38.5
<b>Police and Corrections</b>	18,194	1,907	16,287	10.5	—	—
Direct	—	1,356	—	—	—	—
Intergovernmental	—	551	—	—	3.0	3.4
<b>Public Welfare</b>	54,225	36,597	37,679	67.0	—	—
Direct	—	16,546	—	—	—	—
Intergovernmental	—	20,051	—	—	37.0	53.2
<b>Social Insurance Administration</b>	3,943	3,717	1,764	94.0	—	—
Direct	—	2,179	—	—	—	—
Intergovernmental	—	1,538	—	—	39.0	87.2

SOURCES: U.S. Bureau of the Census, *Governmental Finances in 1977-78*, and *Compendium of Government Finances: 1977 Census of Governments*, Washington, DC, U.S. Government Printing Office, 1978.

Table 4 more pointedly summarizes the intergovernmental aspects of program financing. It shows that the federal aid shares of state and local expenditures aggregate more than 50% in three programs: housing and urban renewal (80%), public welfare (53.2%), and social insurance (87.2%). The federal aid share is moderate in another three programs: airports (44%), highways (25%), and natural resources (38.5%) and it is small in five program areas: education (10.5%),<sup>50</sup> fire protection (0.08%), health and hospitals (11%), libraries (7.6%), and police and corrections (3.4%). Thus, based upon the principle that program areas already heavily funded by the federal government should be prime candidates for full federal funding, housing, welfare, and social insurance programs come to the fore. Conversely, those programs with a small federal share appear to be the most likely candidates for termination or phasing out of the federal aid role: namely, education, fire protection, public health and hospitals, libraries, and police and corrections. Programs in the middle range—airports (44%), natural resources (38.5%), and highways (25%)—might remain intergovernmental, or might be separated into federal and state-local portions not involving federal aid.

This approach to sorting out the federal and state-local roles for major governmental functions clearly produces only a very rough first cut. The published census data do not allow fine breakdowns so that individual federal aid programs can be examined in their full intergovernmental financial context. Moreover, criteria other than financial contributions may be critical to final determinations about full federal assumption of responsibilities or devolution to the state and local governments. It should be pointed out, however, that those programs already possessing a large federal share are ones which ultimately assist individuals primarily, rather than state and local governments. They chiefly include income redistribution programs in which equitable treatment is a prime factor, and uniform nationwide benefit levels (adjusted for cost of living variations) would be especially important. Also, considering the high mobility of people and jobs, and the increasingly close linkage between these income redistribution programs and work incentives, it is important that nationwide standards be applied so that individual state and local variations in such programs will not impede mobility.

Thus, it is recommended that those programs

Table 4  
**FEDERAL AID SHARE OF STATE AND LOCAL EXPENDITURES  
FOR 11 MAJOR FUNCTIONS**

	LARGE (Potential Federal Assumption) (More than 50%)	MODERATE (Potential Shared or Mixed Programs) (15-50%)	SMALL (Potential State-Local Assumption) (Less than 15%)
Social Insurance	87.2%	Airports	Health and Hospitals
Housing and Urban Renewal	80.0	Natural Resources	Education
Public Welfare	53.2	Highways	Libraries
(includes Medicaid, food stamps, social services, etc.)			Police and Corrections
			Fire Protection

SOURCE: Table 3.

which provide for the basic human needs of income security, employment security, housing, medical attention, and basic nutrition be assumed with full financial responsibility by the federal government under conditions which provide for consistent nationwide administration and uniform levels of benefits throughout the nation, adjusted for cost of living variations. Some "leveling up" of benefits undoubtedly would be necessary in establishing nationwide equity, although the cost of living adjustments would help to offset some of the aggregate dollar growth in these programs from that source. Full federal financing is envisioned to bring benefits for all individuals up to an adequate national standard, and not as a case of federal preemptions which would prohibit state or local governments from meeting unanticipated needs which might arise beyond the reach of the uniform national program.

It is a highly complex matter to determine whether direct administration of these programs by federal employees would provide the best likelihood of consistent nationwide administration. The Commission did not have enough information to take a position on this. Greater nationwide consistency could be sought by continuing the traditional state and local administration of such programs under stricter administration guidance by the responsible federal agencies. On the other hand, with little state and local money already in these programs, and this recommendation calling for none, incentives for efficiency by state and local administrators would be weak. And case studies of wholly federally paid portions of subnational bureaucracies provide some stark examples of unresponsiveness and inefficiency. At the same time, the federal government already has significant networks of field offices for most of these programs. For example, the Social Security Administration has district and branch offices and a series of teleservice centers blanketing the nation. HUD has a network of 77 area and FHA insuring offices. The U.S. Employment Service is affiliated with 2,500 local offices run by the state employment services and employing approximately 111,000 workers who are paid mostly with federal funds. The Farmers Home Administration has a network of county and multicounty offices involved in housing loans and mortgage guarantees. Upon this base, a consolidated network of federal benefits offices could be constructed and it would have the potential for integrating the whole array of federal

dollar benefits to individuals, working toward a "whole person," one-stop basis. But, with its emphasis on dollar benefits (including food stamps, medical reimbursements, and rent payments, as well as welfare checks), this consolidation almost certainly would not encompass the social services staffs found in the state and local government and private agencies.

Chances for success in trade-offs would be optimized, some contend, if the aggregate amount of funds on both sides are roughly equal and if it is likely that many of the subnational units will actually assume the terminated federal aid programs. Those programs already listed for federal assumption are the ones least likely to be assumed by the state and local governments because of their high cost and their controversial nature. On the other hand, the fact that the state and local governments and some private agencies already provide the bulk of the funds for education, fire protection, health and hospitals, libraries, and police and corrections makes it likely that they might pick up extra responsibilities in these fields using funds released by the full federal assumptions. In addition, with extra funds available, they also might assume added responsibilities in the fields of natural resources and airports. Both of them could be funded to a somewhat larger degree by fees for services collected at the point of use and the need for both is relatively noncontroversial.

Based upon this reasoning, *Table 5* presents a very rough illustrative calculation of the aggregate national financial implications of certain potential trade-offs.

While still unbalanced by about \$2.5 billion, with the federal government picking up the extra under this very rough scenario, more precise calculations than we were able to make undoubtedly could bring this balance closer. For example, the published census figures for public welfare include some social services, which would be left in the federal aid system rather than being assumed fully by the federal government. This would reduce the federal side of the ledger by a substantial, though presently indeterminate, amount. On the other hand, it is likely that not all education programs would be turned back to the state and local governments. Excluded from this devolution might be certain highly specific benefits for special groups or special purposes (perhaps related to federal mandates) such as the handicapped, especially disadvantaged minorities, and the elimination of sex

*Table 5*  
**FUNDING OF FEDERAL AID PROGRAMS  
 INVOLVED IN ROUGH TRADE OFF PROPOSALS**  
 (in millions of dollars)

<u>Federal Assumption of State-Local Costs</u>		<u>State-Local Assumption of Present Federal Aid Funding</u>	
<b>Public Welfare</b>	\$17,628	<b>Education</b>	\$11,602
Medicaid,		<b>Libraries</b>	103
Social Services		<b>Fire Protection</b>	4
Food Stamps, etc.		<b>Police and   Corrections</b>	551
<b>Social Insurance</b>	226*	<b>(criminal justice)</b>	
(including unemploy- ment insurance and workmen's compensation)		<b>Health and   Hospitals</b>	2,464
<b>Housing</b>	730	<b>Natural Resources</b>	551
<b>TOTAL</b>	\$18,584	<b>Airports</b>	719
	<u>- 15,994</u>	<b>TOTAL</b>	<b>\$15,994</b>
<b>Net Federal Extra Cost</b>	<b>\$ 2,590</b>		

SOURCE: *Table 3.*

\*These are general fund expenditures. They exclude trust fund expenditures supported by payroll taxes.

*Table 6*  
**NUMBER OF FEDERAL AID PROGRAMS INVOLVED IN THE  
 ROUGH TRADE-OFF PROPOSALS**

<u>Federal Assumptions</u>		<u>State/Local Assumptions</u>	
<b>Public Assistance</b>	24	<b>Education</b>	77
including Medicaid and Food Assistance	1	<b>Libraries</b>	6
<b>Social Insurance</b>	14	<b>Fire Protection</b>	3
<b>Housing</b>	2	<b>Police and Corrections</b>	20
<b>TOTAL</b>	<u>6</u>	<b>Health and Hospitals</b>	56
	47	<b>Natural Resources</b>	21
		<b>Airports</b>	2
		<b>TOTAL</b>	<u>185</u>
<b>Totals</b>			
<b>Programs Federally Assumed</b>	47		
<b>Programs Developed to the State   and Local Governments</b>		<u>185</u>	
<b>Grand Total</b>		<b>232</b>	

SOURCE: *Table 7.*



*Table 7*  
**FEDERAL AID PROGRAM CLUSTERS  
RANKED BY AMOUNT OF FUNDING, FY 1980**

Cluster Rank	Number of Programs	Cluster Name and Subcluster Detail*	FY 1980 Funding (in thousands)
1	6	Housing	\$ 22,606,628
2	102	Medical	17,557,786
		(57) Assistance	15,069,424
		(45) Research	2,506,362
3	18	Employment and Training	13,998,608
4	23	Transportation	11,814,383
		(6) Highways	8,829,143
		(5) Transit	2,344,850
		(2) Airports	560,100
		(10) Other	80,290
5	14	Food and Nutrition	11,386,968
6	24	Public Assistance	10,686,794
7	77	Education	7,345,617
		(31) Elementary and Secondary	5,897,005
		(17) Adult and Higher Education	304,829
		(13) Vocational Education	704,227
		(10) Research	378,421
		(6) Other	61,135
8	1	General Revenue Sharing	6,863,000
9	33	Environmental Protection	5,096,314
		(17) Water	4,850,013
		(16) Other	246,301
10	41	Development	4,819,985
		(9) Community	4,359,964
		(29) Economic	443,581
		(3) Rural	16,440
11	21	Natural Resources Conservation and Development	945,980
12	14	Vocational Rehabilitation	842,243
13	20	Criminal Justice	613,296
14	5	Economic Opportunity	554,354
15	7	Civil Preparedness	242,549
16	30	Arts and Humanities	217,355
17	4	Occupational Safety and Health	201,320
18	5	Volunteer Services	104,502
19	6	Libraries	88,012
20	9	Energy	24,709
21	3	Fire Protection	843
22	10	Miscellaneous	198,410
	<u>473</u>	<b>TOTALS</b>	<u><b>\$116,227,656**</b></u>

\*Subcluster details are numbers of programs in parentheses and FY 1980 funding expressed in thousands of dollars of estimated obligations.

\*\*This figure is larger than the usually cited figure of \$88.9 billion for FY 1980 federal grants because it includes a slightly broader list of programs.

SOURCE: Office of Management and Budget, 1979 *Catalog of Federal Domestic Assistance*, Washington, DC, U.S. Government Printing Office, May 1979; and ACIR staff. See *Appendix Table A-2* for detailed list of programs in each cluster.

discrimination in athletics. Also excluded might be certain educational research activities best sponsored at the national level. More precise considerations such as these would be essential in developing a workable package of trade-offs.

The Commission also realizes that another requisite to viable trade-offs is designing the proposals so that the net financial effects on the various states and localities are not negative. The necessary disaggregated calculations, of course, will be highly complex and delicate, but in today's financial cut-back situation, it will be important to minimize net losses to as many as possible of the jurisdictions, including the federal government. The states might well assist in balancing needs and resources among their local jurisdictions as the trade-offs occur. A substantial over-assumption of financial responsibilities at the national level, which might have been used in earlier years to ease this decongestion by trade-off proposal, appears to be quite unlikely at the present time.

The inability to meet this jurisdictional balance criterion was one of the main reasons why the Joint Federal-State Action Committee failed in its attempts in the late 1950s to turn some programs and equivalent revenue sources back to the state and local governments.

Putting aside these concerns for the moment, however, *Table 6* shows an approximate number of federal aid programs which could be eliminated by the rough trade-offs proposed in *Table 5*. The grand total of 232 programs is nearly one-half of the total 473 grant programs included in the 1979 edition of the *Catalogue of Federal Domestic Assistance*. (These 473 programs, listed by magnitude in *Appendix Table A-1* and grouped by subject in *Appendix Table A-2*, are those which currently provide grants, research contracts, or payments to individuals. The list differs somewhat from ACIR's own list of 498 grants to state and local governments because of several differences in defining programs.) As indicated previously, it is likely that the scope of programs involved in these trade-offs would be trimmed back somewhat upon more detailed examination. However, this is the general magnitude of trade-offs which might be expected from a faithful application of the Commission's recommendation.

*Table 7* shows how the 473 federal grant programs cluster together into 22 major categories, and in some cases, into several subcategories. The major clusters are listed in descending order of

their financial size. It is important to note that only ten of the 473 programs fall into the miscellaneous cluster. All the rest are subsumed, in one way or another, under a broader purpose and related to other aid programs. Thus, some might be as likely candidates for consolidation as for termination. Still, some undoubtedly could be terminated on the basis of making only a minor contribution to the larger purpose or being obsolete, or of having little or no positive effects. By the same token, not all of the miscellaneous programs are likely candidates for termination, even though all of them are small—the largest being only about \$57 million. For example, among these small miscellaneous grants are the Army National Guard, research by the Food and Drug Administration, and the applied science and research program of the National Science Foundation.

*Table 8* lists the program clusters in order of the average funding per program within the cluster. Clusters which are roughly equivalent to the federal assumption/state-local devolution trade-off illustration are marked by an asterisk in this table, since further consideration for termination or consolidation would not be needed. In general, the smaller the average program size within the remaining clusters, the more likely that consolidation would be appropriate.

Another way to examine the clusters is to calculate a program fragmentation index based on a composite of the small funding and large number of programs within the clusters. This calculation (the cluster's percentage of all programs divided by its percentage of all aid funds) makes it easier to see which program clusters are less and which are more fragmented. The values for this index are shown in *Table 9*. Opportunities for consolidation and simplification should not be overlooked in any cluster not previously traded off, but the higher the fragmentation index number for any remaining cluster, the greater the need is likely to be for consolidation or termination of minor grants therein.

In evaluating the remaining programs for possible merger or termination, a great deal more work needs to be done within each cluster. It is impossible in a general study such as this to apply the consolidation and termination criteria enumerated in this recommendation to the broad array of 500-odd federal aid programs. Not only would this be a very large task, but presently available information is not adequate to make final decisions concerning some of the issues involved. For example, the cri-

*Table 8*  
**FEDERAL AID PROGRAM CLUSTERS  
 RANKED BY AVERAGE FUNDING PER PROGRAM**

Cluster Name	Number of Programs	Dollar Amount of Cluster (000)	Average Dollar Amount Per Program (000)	
			Mean	Median
General Revenue Sharing	1	\$ 6,863,000	\$6,863,000	\$6,863,000
Housing*	6	22,606,628	3,767,771	409,200
Highways	6	8,829,143	1,471,524	194,463
Food and Nutrition*	14	11,386,968	813,355	224,800
Employment and Training	18	13,998,608	777,700	162,740
Community Development	9	4,359,964	484,440	53,000
Public Transit	5	2,344,850	468,970	55,000
Public Assistance*	24	10,686,794	445,283	18,928
Water Pollution Control	17	4,850,013	285,295	8,220
Airports*	2	560,100	280,050	—
Medical Assistance	57	15,069,424	264,376	19,000
<b>ALL PROGRAMS</b>	<b>473</b>	<b>\$116,227,388</b>	<b>\$ 245,720</b>	<b>\$ 13,000</b>
Economic Opportunity	5	\$ 554,354	\$ 110,871	52,854
Education*	77	7,345,617	95,397	9,750
Vocational Rehabilitation	14	842,243	60,160	27,500
Medical Research	45	2,506,362	55,697	39,466
Occupational Safety and Health	4	201,320	50,330	9,400
Natural Resources Conservation and Development*	21	945,980	45,047	9,215
Civil Preparedness	7	242,549	34,650	3,827
Criminal Justice*	20	613,296	30,665	5,028
Volunteer Services	5	104,502	20,900	23,214
Miscellaneous	10	198,410	19,841	23,705
Environmental Protection (except water)	16	246,301	15,394	9,200
Economic Development	29	443,581	15,296	5,019
Libraries*	6	88,012	14,669	9,975
Other Transportation	10	80,290	8,029	1,940
Arts and Humanities	30	217,355	7,245	5,700
Rural Development	3	16,440	5,480	5,000
Energy	9	24,709	2,745	800
Fire Protection*	3	843	281	255

\*Program clusters roughly equivalent to trade-off proposals.  
 SOURCE: Table 7 and ACIR staff compilations.

*Table 9*  
**FEDERAL AID PROGRAM CLUSTERS  
 RANKED BY FRAGMENTATION INDEX, FY 1980**

Cluster Name	Percent of Programs in Cluster (A)	Percent of FY 1980 Estimated Obligations in Cluster (B)	Fragmentation Index**
General Revenue Sharing	0.21%	5.90%	0.04
Housing*	1.26	19.45	0.06
Highways	1.26	7.60	0.17
Food and Nutrition*	2.95	9.80	0.30
Employment and Training	3.80	12.04	0.32
Community Development	1.90	3.75	0.51
Public Transit	1.05	2.02	0.52
Public Assistance*	5.06	9.19	0.55
Water Pollution Control	3.59	4.17	0.86
Airports*	0.42	0.48	0.88
Medical Assistance	12.02	12.96	0.93
<b>ALL PROGRAMS</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1.00</b>
Economic Opportunity	1.05%	0.48%	2.19
Education*	16.24	6.32	2.57
Vocational Rehabilitation	2.95	0.72	4.10
Medical Research	9.49	2.16	4.39
Occupational Safety and Health	0.84	0.17	4.94
Natural Resources Conservation and Development*	4.43	0.81	5.47
Civil Preparedness	1.48	0.21	7.05
Criminal Justice*	4.22	0.53	7.96
Volunteer Services	1.05	0.09	11.67
Miscellaneous	2.11	0.17	12.41
Libraries*	1.26	0.08	15.75
Environmental Protection (except water)	3.38	0.21	16.10
Economic Development	6.12	0.38	16.11
Other Transportation	2.11	0.07	30.14
Arts and Humanities	6.33	0.19	33.32
Rural Development	0.63	0.01	63.00
Energy	1.90	0.02	95.00
Fire Protection*	0.63	0.0007	86,858.81

\*Program clusters roughly equivalent to trade-off proposals.

\*\*Column A divided by Column B.

SOURCE: Table 7 and ACIR staff compilations

teria about high administrative costs relative to the federal financial contribution was investigated by GAO in 1978, and their conclusion was that "The federal government should but doesn't know the cost of administering its assistance programs."<sup>51</sup>

Some consolidations may have the potential for reducing red tape and increasing the effectiveness of state and local use of allocated funds within the program area to the point where a small reduction in total funds would be justified—perhaps by 10%. The National Governors' Association, for example, estimated in 1979 that program consolidations in the following fields could produce cost savings of up to 10%: employment and training, environmental protection, community and economic development, education, law enforcement, energy, social services, and health.<sup>52</sup>

Another approach to the termination of small grant programs for activities which are very likely to be picked up by state and local governments would be to balance off this loss of funds to state and local governments by an increase in general revenue sharing. On the assumption that this would reduce paperwork and increase efficiency at the lower levels, the increase in general revenue sharing might be trimmed by about 10% below the amount of the terminated categorical grant or grants.

Finally, it should be noted that major federal assumptions of programs might be phased in over a period of a few years, while major terminations of federal aid to the state and local governments might be phased out over a similar period of time. This could help to avoid major disruptions by allowing time for budget realignments and the necessary administrative accommodations.

The success of any major trade-offs, consolidations, and terminations will depend very largely upon the ability of the state and local governments to reach agreement and band together in supporting such proposals, and will require close collaboration among officials at every level. *Recommendation 4* stresses the responsibilities facing state and local governments and their national associations. While a variety of systems of intergovernmental consultation will be necessary, *Recommendation 5* calls upon the President to convene a national convocation on federalism to formulate an agenda for intergovernmental reform, including trade-off proposals.

If state and local governments fail to make this

effort, the most likely result will be a continuation of growth in the number of narrow categorical grant programs, a growing intensity of grant conditions and administrative regulations, continued growth of red tape, and fewer real dollars to work with as grant funds level off and inflation eats away at appropriated amounts. Detailed federal prescriptions will continue for such minute local activities as school security, urban gardening, pothole repair, training for use of the metric system, arson control, home insulation, urban parks, meals on wheels, jelly fish control, snow removal, police disability payments, aquaculture, displaced homemakers, rat control, education of gifted children, alcohol abuse, homemaker and residential repair services for the elderly, development of bikeways, aid to museums, runaway youth, art education, and rural fire protection. And the list will grow and grow. Only a stirred-up state and local government constituency can stem this tide.

From the national vantage point, the strategy proposed in this recommendation offers some solid assurance that the domestic agenda of the Presidency and Congress would assume more manageable proportions—difficult as it assuredly will be. Perhaps as important, it would reduce the number of interest group pressures that have so nearly immobilized the system and thus would provide some basis for hoping that the national parties would be capable of reasserting their older role of "absorbing" and "reconciling" the claims of special interests. In short, all levels—hence the system and the electorate—would benefit by the adoption of a decisive decongestion strategy.

## **RECOMMENDATION 2**

### **Avoiding Unintended Impacts on State and Local Governments**

In this study of the federal role in the federal system, the Commission has noted the breakdown of a number of constraints which once limited and disciplined the national role. The erosion of these once viable Constitutional, political, institutional, and, until recently, fiscal constraints has contributed to the unwieldy and dangerously overloaded condition of the federal system today.

In the past, the Commission has recommended certain basic improvements in the operation of the national government. The Commission recommends calling for the consolidation of cate-

gorical grant programs,<sup>53</sup> enactment of "sunset" legislation,<sup>54</sup> and indexation of the federal income tax are,<sup>55</sup> if anything, more relevant now for their rationalizing and disciplining effects than when they were initially advanced and the Commission strongly reaffirms its support for them.

At the same time, the Commission now concludes that additional major improvements in the national legislative and regulatory processes are essential to the development of more effective, rational, and publicly accountable national policies and to the restoration of a more balanced and functional federalism.

#### **Recommendation 2(A): Fiscal Notes**

The Commission finds that federally mandated legislation often imposes unanticipated burdens and costs upon state and local governments. Hence . . . **The Commission recommends that Congress amend the *Congressional Budget Act of 1974* to require the Congressional Budget Office (CBO), for every bill or resolution reported in the House or Senate, to prepare and submit an estimate of the cost which would be incurred by state and local governments in carrying out or complying with such bill or resolution.\***

#### **Recommendation 2(B): Temporary Suspension of Crosscutting Policies**

The Commission finds that the implementation of crosscutting policies sometimes results in unreasonable burdens on and serious disruptions to the intergovernmental system. Hence . . . **The Commission recommends that Congress enact legislation authorizing standby authority to the President (acting through the Office of Management and Budget) to suspend temporarily implementation of enacted crosscutting national policy requirements when it becomes clear that serious and unanticipated costs or disruptions**

**will otherwise occur. The Commission further recommends: (a) that prior to any suspension, the President ascertain through an assessment of the requirement's legislative history and, where needed, through direct contact with the appropriate Congressional committees that the impending disruptions were not anticipated by Congress; (b) that the suspension of the implementation of any given policy requirement by the President be limited to no more than 180 days; (c) that the President immediately notify the appropriate committees of Congress of his action and the reasons for it; and (d) that within 60 days of the suspension, the President present to Congress an alternative remedial legislative proposal.**

#### **Recommendation 2(C): Regulatory Impact Analyses**

The Commission finds that federal regulations often lack adequate prior assessments of the potential costs imposed upon state and local governments and the private sector by such regulations. Hence . . . **The Commission recommends that the Congress enact legislation requiring each federal department and agency, including each of the independent regulatory agencies, to prepare and make public a detailed analysis of projected economic and noneconomic effects likely to result from any major new rule it may propose.**

Increasingly, one of the most abrasive points of friction in the intergovernmental system is the issue of costs incurred by one level of government or the private sector as a result of certain actions (or prohibitions) or procedures mandated by another level of government. Such costs may result from regulations, mandates, or rules which the states apply to their localities and businesses or which localities apply to resident businesses. The focus of this recommendation, however, is on those costs which result from federal mandates and regulations aimed at states and localities and at private industry.

To put this recommendation in proper context, some definitional difficulties must first be confronted. Much, if not most, of the battle of federally mandated costs has been waged in the form of rhetorical warfare, highly charged with emotional claims and counterclaims and often, in actuality, carried on with the various participants debating

---

\*Some individual members of the Commission, notably Mayor Tom Bradley, strongly advocate the principle of federal reimbursement of state and local costs in carrying out federally mandated programs, and these proposals were the subject of discussion at the March 1980, and June 1980, meetings. However, reimbursement proposals raise a series of complex legal, fiscal, and political issues which have not yet been explored in sufficient detail by the Commission as a whole to provide a basis for its recommendations. The mandating issue has been identified as a high-priority area for future study.

quite different issues. This confusion is due in part to varying definitions of terms.

For instance, just what is a "mandate"? As defined in 1978 by ACIR (applicable to state mandating of local *expenditures* only), a mandate is:

... a legal requirement—constitutional provision, statutory provision, or administrative provision—that a [in this case] local government must undertake a specified activity or provide a service meeting minimum [in this case] state standards.<sup>56</sup>

The Congressional Budget Office (CBO) takes another approach, defining federal mandates as:

... formal orders issued by the federal government, which is legally the higher government and is thus entitled to give orders under certain circumstances. State and local governments have little option but to comply with federal orders.<sup>57</sup>

Moreover, CBO distinguished the term "mandates" from the term "contractual obligations," which are defined as:

... conditional; they come about when state and local governments enter into binding agreements with the federal government. Most contractual obligations are associated with federal grant programs.<sup>58</sup>

Finally, in a recently completed study of federal and state mandates on local governments by Catherine Lovell, et al, a mandate is defined as:

... any responsibility, action, procedure or anything else that is imposed by constitutional, legislative, administrative, executive, or judicial action as a direct order or that is required as a condition of aid.<sup>59</sup>

To add to the confusion, mandates have been characterized in a variety of ways: at times according to the theoretical degree of coerciveness, at other times according to source, and at still other times according to the number of jurisdictions or programs which they effect.

Hence, a mandate may be a *direct* order to state and/or local governments. Because most direct order federal mandates are based on judicial interpretations of the Bill of Rights or 14th Amendment (i.e., school desegregation, redistricting, criminal justice procedures), they fall outside of the scope of this discussion. However, a significant amount of

directly mandated activity is of statutory origin, based upon the Congressional power to regulate commerce, the necessary and proper clause, and the 14th Amendment and, thereafter, upon an administrative agency's obligation to promulgate rules and regulations. Direct statutory mandates generally deal with civil rights or the environment and include, among others, such laws as the *Equal Employment Act of 1972*, *The Clean Air Amendments of 1970*, and *The Safe Drinking Water Act of 1974*.<sup>60</sup>

Despite the often grand sweep of federal direct order mandates, most federal mandates are *indirect* or what CBO has termed contractual obligations associated with grants-in-aid. While no one has attempted to count all of the federal indirect mandates, Lovell, et al, have identified 1,036 federal mandates on local governments as conditions of aid; in contrast, only 223 were the result of direct orders.<sup>61</sup>

Further complicating the mandating issue are the different types of mandates, particularly within the category of indirects. Thus, mandates may be either *crosscutting* (horizontal) or *program specific* (vertical).

Broadly defined, crosscutting national policy requirements are those which are generally applicable to many or most federal grants. Requirements of this sort deal with discrimination, equal access, environmental quality, relocation, prevailing wages, merit employment, financial ethics, coordination, planning, citizen participation, and privacy.

Nor is it always easy to distinguish crosscutting requirements from those which are program specific. For instance, at the most literal definitional level, a crosscutting requirement is one arising from a law "adopted without relation to any particular grant program [but which] appl[ies] to the grant system on an across-the-board basis."<sup>62</sup> A major example of this sort is Title VI of the *Civil Rights Act of 1964*.

Some conditions may not literally be "across-the-entire-board" but, for all practical purposes, have the same effect. Such "conditions have become a general policy by reason of being inserted repeatedly in individual statutes that authorize a wide range of grant programs."<sup>63</sup> A prime example is provided by the minimum wage provisions of the *Davis-Bacon Act*.

Finally, some national policy conditions "only appl[y] to single grant programs or closely related

groups of programs but elaborate on general policy.”<sup>64</sup> For example, Section 16 of the *Urban Mass Transportation Act of 1964* extends the rights of the handicapped and the elderly to federal transportation grant programs.<sup>65</sup>

A mandate by any other name is a regulation, and vice versa. Yet, in recent years, these two terms have come increasingly to be distinguished, perhaps adding somewhat more to the confusion. Hence, in most cases, the term mandate is used to identify an order from one level of government to another, while the term regulation is employed to identify an order from government to the private sector. Although the majority of federal direct orders are aimed at the private sector, thus giving an amount of distinctive validity to the difference in terms, some laws, such as the *Clean Air Amendments of 1970*, both mandate state actions and regulate private industry.

A final point of confusion may be mentioned here in passing, though it will be returned to below. With a great many mandates and regulations, even financial costs are, at best, extremely difficult to measure; the less tangible noneconomic costs and benefits, nearly impossible. Certainly, programmatic, jurisdictionally, and industrially dispersed social and environmental policies do not lend themselves easily to cost analyses or benefit analyses, much less comparable cost-benefit analyses.

In this recommendation, a *mandate* means any responsibility, action, procedure, or anything else that is imposed on state or local governments by Congress or the executive branch as a direct order or that is required as a condition of aid, whether crosscutting or program specific. The term *regulation*, on the other hand, refers to such impositions and prohibitions on the private sector and includes rule making by the independent regulatory agencies.

In advancing this recommendation, the Commission has had to grapple with the dilemmas of weighing good intentions against their sometimes wayward and unintended effects. Hence, while it is extremely easy to rail against the various costs of federal mandates and regulations, it is much less easy for most people to find fault with their goals and intentions. Prevalent discrimination in our society based on race, sex, ethnicity, and age is an intolerable condition. Stagnating pollution of the air, water, and land is hardly a desirable state of affairs in anyone's eyes. None but the most callous would

advocate a return to times gone by when small children were sent unprotected to labor in coal mines or when the thoughtless economic activities of a single robber baron could throw the nation into sudden economic panic. Most believe that those unfortunate enough to live daily with physical and mental handicaps should, at the very least, be allowed equal access to the most basic facilities and functions. Operational efficiency, effectiveness, accountability, and ethics are long accepted governmental values.

Yet, despite the variety of complaints about government interference, each of the above mentioned are objects of federal mandates and regulations. Hence, through mandates and regulations, the federal government seeks to reduce discrimination; lessen the causes and effects of pollution; protect the very young; safeguard the earnings, savings, and investments of the average person from unscrupulous monopolies and cartels, on the one hand and from imprudent competitive practices, on the other; help the less fortunate; and disseminate the newest governmental procedural, operating, and accounting techniques. In short, the varied intentions behind most federal orders are unassailable.

The purpose of most mandates is to change the behavior of affected state and local governments and few can doubt that at least in the past and in a number of areas this was a very laudable objective. The most obvious example, of course, was provided by many states that engaged in blatant discrimination against racial minorities. Moreover, mandates accompanying the *Social Security Act* were aimed at the tendency in many states to treat welfare recipients with less than an even hand. And, for many cities and several states, industry domination made enactment of genuine antipollution activities nearly impossible.

Likewise, the long history of federal regulation of the private sector can hardly be faulted for its intentions. The “birth” of such activities in the late nineteenth century was prompted only by the most brazen rate discriminatory and collusive activities of interstate carriers, which were virtually untouchable by state law, and by wholesale combinations in trust which made competition all but impossible within many of the nation's major industrial sectors. Federal “interference,” so-called, was not merely desirable, it was imperative.

Even the newer and, in many instances, more widely criticized mandates and regulations cannot be disparaged for being born of anything less than



the very best intentions. For instance, in terms of its cost and implementing difficulties, perhaps no federal mandate has been as widely maligned as Section 504 of the *Rehabilitation Services Act*, which prohibits recipients of federal aid from discriminating against handicapped persons, including de facto discrimination resulting from structural barriers. Yet, many handicapped persons are in fact barred from full social participation by the existence of such otherwise benign objects as high curbs, building steps and stairways, and inaccessible vehicles. The costs of Section 504 may indeed be weighty, but the intentions and goals underlying it are certainly of the highest order.

The Commission is convinced that the recent spate of complaints against federal mandates and regulations issuing from such diverse sources as the general public, state and local officials, and private industry has little to do with the goals or intentions of those orders. Rather, we believe, it is a variety of sometimes massive costs which result from many mandates and regulations, the coercive manner in which they are often applied, and the general lack of regard for each of the above in both the enactment and implementation phases which have inspired the current discontent.

No one knows how high the total fiscal costs of federal mandates run. Even as extensive a study as that completed by Lovell, et al, does not attempt to measure actual costs. Years of prior expenditures, a variety of hidden costs, and the difficulty involved in even identifying mandates have probably made such an after-the-fact task nearly impossible for anyone. Nonetheless, the study does present some very significant findings about mandated fiscal costs and all lead to the conclusion that "the concern of local government officials about the burden that mandating is placing on their local resources is justified."<sup>66</sup>

Thus, it found that 30% of all direct-order federal mandating on local governments was paid for by local general funds—in other words, by local taxpayers—while 45% of all indirect (or aid-related) mandates were financed by the localities. The problem is even worse for cities than for counties since cities pay for 48% of the costs of federal direct orders and 56% of the costs of conditions of aid.<sup>67</sup>

While the fiscal burdens associated with mandates are those most often complained about, other costs, perhaps equally as heavy, are also linked to mandating. Mandates, thus, may be said to impose

costs of both *displacement* and serious *conflict* upon states and localities. Simply put, the "cost" of displacement is a reduction in a certain amount of freedom of choice. That is, when a particular activity or procedure is mandated, the affected jurisdiction must sometimes give up doing another, often preferred, activity. Of course, such costs are even more difficult to ascertain than are the fiscal, since mandated activities sometimes are preferred activities—ones which the mandated-on jurisdiction would perform anyway—and sometimes not. In general, however, there is evidence to suggest that federally mandated activities may have the effect, in a number of instances, of frustrating state and especially local governments in trying to meet local preferences.

Other sorts of costs are those associated with conflicts and confusion. For example, OMB has identified 59 crosscutting policy and administrative requirements. Because they are crosscutting, one could almost anticipate the enormous confusion that results from their enforcement by all of the different granting agencies. Yet, add to that complexity, the fact that those 59 horizontal requirements are tracked or overseen by 19 guidance agencies. The combination of these 59 crosscutting requirements, the many more program specific requirements, all the assistance agencies, the 19 guidance agencies, and the array of recipient jurisdictional idiosyncracies cannot help but add up to sometimes very serious conflicts. As examples, such conflicts can occur between:

- requirements of a particular assistance program and general federal policy or administrative requirements;
- general federal policies themselves;
- multiple agencies' implementation of a general federal requirement;
- different assistance program or agency requirements; and
- federal agencies and recipients.<sup>68</sup>

A final problem associated with mandates and their costs is the issue of *coercion*. That is, when is a mandate coercive? Obviously, direct order mandates are, by their very nature, coercive; affected jurisdictions have little choice but to comply. But, what about the majority of federal mandates, those which accrue to a jurisdiction as a condition of aid? Though the courts have repeatedly upheld the no-

tion that conditions attached to grants are not coercive because the receipt of a grant itself is a voluntary action, grant recipients increasingly are coming to view many grant related mandates as being as fully coercive as direct orders. Several examples support this view:

- The choice to participate in the federal program may be made by state officials, but the burden of administering the program in accordance with federal regulations falls on local governments. For example, Aid to Families with Dependent Children (AFDC) is a grant program available to the states. Yet, in 18 states, local government agencies are responsible for administering the program. The regulations guiding local administrators come from their state governments, but may have their source in federal regulations.
- Conditions of aid may have changed since the decision to participate was originally made. While participation remains voluntary, state and local officials may believe that, despite the change in regulations, they have no option but to continue participation, since constituents rely on the service provided. . . . The 1976 amendments to the Unemployment Insurance (UI) law offer an example. In order for states to continue to qualify for grants for administration and for employers within the state to continue to receive a federal tax credit for UI taxes paid to the state, coverage must be extended to all public employees. The costs of noncompliance are perceived as being so high as to make the change in regulation seem coercive.
- Current constraints may stem from decisions made several years earlier. For example, in order to receive federal aid for the construction of a highway, a state must agree to keep the road up to federal highway safety standards. Decisions made as long ago as 20 years thus constrain the budgetary choices available to present day state and local officials.<sup>69</sup>

As with federal mandates, costs of several types are the principal complaints against federal regulation of the private sector. And, as is the case with mandates, high fiscal costs are the most often cited for their overburdening effect.

Like mandates, assessing the costs of regulations is a difficult and, as yet, far from complete task. However, unlike mandates, some partial, albeit often widely disparate and controversial, estimates do exist. For example, a recent study by Arthur Andersen and Co. for the Business Roundtable found that in 1977 alone, 48 major U.S. companies spent \$2.6 billion to comply with federal regulations in just six of the many areas of federal regulatory endeavor.<sup>70</sup> Moreover, the annual McGraw-Hill survey of business has estimated that in 1976 the private sector spent \$3.2 billion in its efforts to comply with Occupational Safety and Health Administration (OSHA) rules alone.<sup>71</sup> And, as a final staggering example of fiscal costs associated with regulations, the Council on Environmental Quality (CEQ) estimates that in 1978, the cost of complying with all existing federal pollution control and environmental quality programs was \$26.9 billion, a figure expected to reach \$64 billion by 1987.<sup>72</sup>

Some estimates also have been made of the total costs of regulation. *Table 10*, prepared by Robert De Fina, provides a total 1976 estimate of \$65.5 billion in regulatory costs for six selected areas.

The enormous direct costs associated with compliance and administrative activities are not the only ones which affect the regulator, the regulated, and society. The Senate Committee on Governmental Affairs has identified a number of indirect or unintended cost impacts of regulation. These include the costs of:

- excessive capital investment;
- excess capacity;
- regulatory constraint and encouragement of peakload pricing;
- regulatory impediments to technological change;
- effects of regulation on competition; and
- inflationary effects of regulation.<sup>73</sup>

The ultimate fiscal cost of all regulations, whether shown on the books of business or government, is borne by the American public, both as consumers and as taxpayers.

Several other problems, highly related to costs

*Table 10*  
**ANNUAL COST OF FEDERAL REGULATIONS, BY AREA, 1976**  
 (in millions of dollars)

Area	Administrative Cost	Compliance Cost	Total
Consumer Safety and Health	\$1,516	\$ 5,094	\$ 6,610
Job Safety and Working Conditions	483	4,015	4,498
Energy and Environment	612	7,760	8,372
Financial Regulation	104	1,118	1,222
Industry Specific	474	26,322	26,796
Paperwork	•	18,000	18,000
<b>Total</b>	<b>\$3,189</b>	<b>\$62,309</b>	<b>\$65,498</b>

\*Included in other categories.

SOURCE: Robert De Fina, "Public and Private Expenditures for Federal Regulation of Business" (Working paper No. 22), St. Louis, MO, Washington University Center for the Study of American Business, 1977, p. 3, as cited in U.S. Senate, Committee on Governmental Affairs, *Framework for Regulation*, Volume VI of *Study on Federal Regulation*, 95th Cong., 2d Sess., Washington, DC, U.S. Government Printing Office, December 1978, p. 68.

or actually causing additional costs, also are evident in the current regulatory system. One is the lack of coordination and cost sharing information among regulatory agencies. This is particularly true with regard to the independent regulatory agencies, whose very independence from executive branch control makes Presidential coordination of economic policy extremely difficult.<sup>74</sup>

Aside from *independence*, the Commission on Law and the Economy of the American Bar Association (ABA) has noted two additional problems which make it extremely difficult for policymakers and administrators to coordinate regulatory activities and thereafter make balancing choices between and among conflicting and competing goals. Thus, ABA also notes the problems generated by the

- *single-mindedness* of the regulatory agencies or the failure of one agency to consider the competing goals of the other agencies; and
- *multiplicity* of agencies—there are at least 16 federal regulatory agencies, each created and governed by its own statute; each with its own goals and responsibilities.<sup>75</sup>

CBO has identified a total of 33 federal departments and agencies whose activities effect:

... the operating business environment of broad sectors of private enterprise, includ-

ing market entry and exit; rate, price, and profit structures; and competition;

... specific commodities, products, or services through permits, certification, or licensing requirements; and

... the development, administration, and enforcement of national standards, violations of which could result in civil or criminal penalties or which result in significant costs.<sup>76</sup>

All this multiplicity and its accompanying costs, overlaps, and conflicts become especially acute for individual sectors of the economy which are themselves regulated by multiple federal authorities. For example, the transportation industry is subject to the rules of (from among others) the Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Commission; the auto industry to those of the National Highway Traffic Safety Administration and the Environmental Protection Agency; and the nation's financial institutions to the Department of Treasury, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal National Credit Union Administration, the Securities and Exchange Commission, the Commodities Futures Trading Commission, and the Department of Labor.<sup>77</sup>

A final serious problem adding heavily to multiplicity within the regulatory system was noted by

William G. Colman in testimony before the Commission:

Regulatory conflict and overlapping is fully as contributory to intergovernmental imbalance as the increasing "marbleization" of service delivery and financing, . . . For example:

- Concurrent regulatory jurisdiction of national and state governments increases costs for those regulated which in turn raises consumer prices.
- Especially critical is state regulation of product manufacture and product specifications with respect to goods moving in interstate commerce—several federal regulatory statutes not only permit but encourage states to impose equal or higher standards, thus breaking up economies of scale involved in the mass production for a national market.<sup>78</sup>

This Commission, then, finds that the goals and intentions which underlie most mandates and regulations are unassailable and that the effects, of most, though often statistically unmeasurable, have greatly benefited the nation. They have allowed long-deprived minorities to make great strides, mitigated the damaging effects of many pollutants, made financial saving by individuals reasonably safe, and reduced the number of deaths, accidents, and illnesses occurring in the workplace and on the highway.

The Commission recognizes that there are some who would do away with all or most mandates and regulations, claiming that the marketplace would run more smoothly if left totally to its own devices and that social responsibility cannot be legislated. Such claims, we are convinced, are neither practical nor factually well grounded. Rather, a number of means, in our view, should be employed to make the mandating and regulatory processes more thoughtful, to balance the many benefits with the burdensome costs, and to bring some degree of coordination, information, and modification to areas of overlap and conflict.

In the process of creating new legislation, good intentions are often substituted for good laws and little thought generally is given to the costs which such legislation may impose on state and local governments. As a result, policy is often enacted in a

"pass now, pay later" atmosphere which sees the substantial "paying" being done by other than the "passer."

Hence, the Commission sanctions a more thoughtful and balanced legislative process and supports the enactment and implementation of procedures which would allow Congress to weigh well intended policy requirements against the costs of implementation and to consider the impacts of its decisions on state and local governments. One such mechanism is the attachment of "fiscal notes," or state and local cost estimates, to every reported bill and resolution. Already required by approximately 33 state legislatures, fiscal notes have proved extremely useful in allowing states to assess the costs of their own mandates on local governments.

For Congress, such costs could be assessed by CBO, which through the existing authority of the *Congressional Budget Act of 1974*, already submits estimates of the costs the federal government may incur as a result of legislation moving through Congress. This "fiscal notes" procedure is gaining bipartisan support in Congress and has been endorsed, among others by the National Governors Association (NGA), the Council of State Governments (CSG), the National League of Cities (NLC), the National Conference of State Legislatures (NCSL), the National Association of Counties (NAC), and the United States Conference of Mayors (USCM).

The Commission notes that one of the sources of greatest complexity and confusion in the intergovernmental system is the array of crosscutting or horizontal policy requirements. At times, such requirements may impose unreasonable burdens on and even cause serious disruptions to the system. In the past, the Commission has recommended that certain measures be undertaken to simplify, to consolidate where appropriate, to regularize, and to recognize the costs of such generally applicable requirements.<sup>79</sup> However, we now feel that additional measures are necessary. While it is hoped that the enactment of fiscal notes legislation would enable Congress to become more thoughtful about the cost burdens of legislation, other disruptive consequences may still result from the implementation of crosscutting policies. This would be particularly true if the requirements of one such policy conflict with another, or if the requirements of a crosscutting policy conflict with a particular program requirement.

Though fiscal notes will allow Congress to anticipate and prevent a number of problems, the Commission is convinced that there is a need for some mechanism to cope with those not prevented. Hence, we sanction legislation giving the President authority to temporarily suspend implementation of potentially disruptive or terribly costly national policy requirements.

Such Presidential authority could be exercised by OMB since assistance policy is one of its basic concerns and relates to its budget, regulatory reform, procurement management, and other activities. Thus, in addition to preventing intergovernmental friction, the proposal would strengthen the management and oversight capacity of the President.

Any suspension, of course, would require that OMB first ascertain legislative intent. That is, did or did not Congress intend for or anticipate the disruption? Once intent has been firmly discerned and Congress properly notified, a maximum length of suspension of 180 days has been suggested.

Obviously, such postponement alone would, in many cases, merely delay the inevitable. Hence, the Commission recommends that a desirable and necessary next step would be the drafting by the President, through OMB, of alternative remedial legislation. If such alternative language were presented to Congress for its consideration early in the suspension period, systemic disruptions could be significantly reduced.

To insure that the costs of regulations are commensurate with their benefits, to mitigate against conflicting agency rules, and to provide more adequate oversight, the Commission urges that regulatory impact analyses be prepared by each federal agency and department and that they cover the projected economic and noneconomic effects likely to result from the promulgation of any new rule.

Some strides in the direction of regulatory reform have already been made. For example, the Environmental Protection Agency's controversial "bubble policy," allows individual manufacturers a great deal more latitude and prerogative in controlling stationary source pollution. OSHA, too, has taken steps to broaden its standards and the Consumer Product Safety Commission has been relying more heavily on voluntary manufacturer actions and individualized approaches to meeting standards. In fact, in limited form, regulatory impact analyses are now required. By Executive Order 12044 of March 23, 1978, President Carter began requiring that, among other actions, execu-

tive branch agencies analyze the costs and benefits of major proposed regulations.

This system, we find, is far from complete, however, for it fails to include the crucial participation of the independent regulatory agencies. Hence, Congressional enactment of legislation requiring such analyses, including the independents, is critical to fully understanding and assessing the impacts of new rules.

Ideally, the analytical process would involve two steps. First, when a regulation is initially published for comment, it should be accompanied by a draft impact analysis containing a statement of the necessity for and purpose of the proposed action; an inventory of possible alternative actions for achieving the same objectives; and a preliminary assessment of the projected economic and noneconomic impacts of and potential effectiveness of each of the alternative means for achieving the stated objective. Second, following a period of public comment, each issued regulation should be accompanied by a more thorough impact analysis containing detailed assessments of all of the information required in step one. To avoid delays in meeting emergency situations, waivers of the analysis requirement should be permitted.

In order to assure overall compliance, periodic review of the analysis process and the analyses of individual agencies should be undertaken by CBO and thereafter reported to Congress, the public, and the agencies. Finally, to avoid extended litigation disruptive to the analysis process, judicial review of agency analysis procedures should be prohibited. Of course, the regulations themselves would still be subject to such review.

### **RECOMMENDATION 3** **Strengthening Political Federalism** **Through the Party System**

The Commission recognizes that the recommendations noted above are but a first step in unburdening the intergovernmental system. The problems of assigning costs as well as benefits to mandates and regulations are monumental and such dilemmas are compounded by the fact that our knowledge of what constitutes a mandated activity is limited. Hence, we believe that a Commission priority for the 1980s should be a thorough examination of the complex realm of mandates and regulations. Hopefully, such study would result in more

thoughtful intergovernmental policymaking and contribute, to a more balanced and functional federal system in the future.

The Commission concludes that the current philosophical and organizational disarray of both major political parties minimizes their contribution to the appropriate consideration of the size of the public sector and of national-state-local responsibilities within it, has weakened the accountability of public officeholders at all levels to the citizenry, has undermined their capacity to balance interest group pressures, and has undercut the traditional position of states and localities as strong political partners within the American federal system. Hence . . .

**The Commission recommends that the two political parties and the Congress, or state legislatures, as appropriate, adopt measures which will strengthen the parties as forums for the regular consideration of major policy issues by public officials at all levels of government as well as by citizen party members, and which will enhance the status of the political parties as essential bonds between the governors and the governed in a healthy representative democracy.**

**Specifically, the Commission recommends that consideration be given to the following proposals, among others: (a) midterm party conventions in both political parties, as well as more frequent party issue conferences at the state and local level; (b) the facilitation of greater participation by national, state, and local elected officeholders in party conventions; (c) the strengthening of party leadership in Congress and the reinvigoration of party caucuses as instruments for disciplining members and for the deliberation and voting on proposals relating to the budget ceilings provided for in the Congressional budget process; and (d) a reduction in the number, dates, and duration of Presidential primaries and the elimination generally of open and blanket primaries.\***

This recommendation is rooted in the Commission's belief that the major parties' historic roles in making the governance of a vast representative democracy possible and making federalism workable have been badly eroded of late. It reflects our

view that, although their development was not anticipated by the founders, strong political parties have made a vital contribution to American governance since the earliest days of the Republic. For that large majority of the population unrepresented by special interest groups, they always have been the principal instrument of political participation. Indeed, by selecting candidates for office, preparing platforms, aggregating diverse interests, mounting campaigns, and organizing both the processes of government and of the "loyal opposition," the parties have made mass representative democracy possible.

At the same time, the parties have contributed to the maintenance of a balanced federalism. Always strongest at the precinct, city, or county level, the "bottom up" organization of the parties ensured that they and their elected national representatives would respond to localized pressures and concerns, thus providing a vital counterforce against centralizing trends in the economic sphere and within government itself. As political alliances primarily composed of state and local candidates, officeholders, and activists, the parties also provided for close communications among policymakers at every level of government.

The political parties also have contributed to the balancing act of federalism by presenting to the voters alternative approaches to certain key public issues, especially those relating to the proper scope of governmental authority and its allocation among the levels of the federal system. Throughout most of American history, one or the other of the parties has advocated new national initiatives on economic or social issues, while the opposition has emphasized "states rights" or political decentralization. Moreover, at certain times, the parties (for wholly self-centered reasons) in effect collaborated to keep certain issues out of the national political arena. Together, then, the two parties in the past created a meaningful dialogue on federalism both sustaining and redefining it in light of changing conditions and popular preferences.

At present, none of these traditional descriptions remain accurate, for the political parties have virtually ceased to perform any of their major historic roles. Indeed, a sharp decline in the status and performance of the parties is perhaps the most striking political change of the past 20 years. Expert commentators note the steady transformation from a two-party system, to a "one-and-a-half" party system, to something approaching a no-party

---

\*HUD and OMB abstained.

system as the 1980s begin.<sup>80</sup> Though always weak by European standards, the American political parties have become but pale shadows of even their former selves, commanding little loyalty anywhere, unable to organize the government, the electorate—or themselves.

Evidence of this dramatic change may be found wherever the public's business is conducted: on the campaign trail, in the Capitol, and within the White House. Many candidates for office seemingly regard their partisan membership as embarrassing or irrelevant—a sentiment shared by an increasing number of voters. Neither party now provides a strong focus for personal political loyalties or a continuing intellectual forum for the assessment of issues. And, it seems no easier to devise and carry out a consistent strategy for addressing national problems when both branches of the federal government are held by the same party than in periods of divided control. Compare, for example, the record of President Ford in this regard with that of President Carter.<sup>81</sup>

Neither do the parties now serve as informal political bulwarks of federalism. Because of changes in internal rules and procedures, they have become far more centralized—though no better disciplined. Moreover, candidates for national office now rely chiefly upon personal followings and campaign contributors, as well as the media, in their drive for election. The old, fairly cohesive coalitions of officials and party loyalists at the state and local level are no longer needed and, indeed, barely exist.

Instead, control of the government has come to rest with a multitude of specialized “policy communities.” Their members include individual legislative activists, bureaucrats, and the now-ubiquitous special interest lobbies, giving rise to the appellation, the “special interest state.” As partisan roles have subsided, these narrow policy cliques have multiplied unrestrained by establishing power bases on Capitol Hill, in the various executive departments, in offices up and down the length of Pennsylvania Avenue and its environs, and within and around subnational governments.

The resulting atomization of the political process is closely tied with the fragmentation of national policy and the overload of governmental institutions. Each reinforces the others. However, the Commission's case studies do suggest that the rapid multiplication of interest groups has largely been a *consequence*, rather than the *primary cause*, of programmatic growth. Every additional pro-

gram has attracted or created a sizeable coalition of its beneficiaries and defenders, shattering overall political coherence in the process. In this respect, our findings in many functional fields are quite consistent with a recent editorial comment in the *National Journal*, which noted that:

... the diffusion of power *in* Washington stemmed from the same forces that brought more power *to* Washington. The acceptance of new responsibilities implied new constituencies which, following a natural political logic, demanded their own representation in the nation's capital: their own subcommittees, their own agencies, and their own lobbying arms.<sup>82</sup>

The record of the past two decades demonstrates that the political parties are no longer essential to the fundamentals of the electoral process. Candidates continue to appear; federal, state, and local offices have not gone unfilled. Yet, the record also suggests that stronger parties still are necessary for effective governance. Without them, some measure of political discipline and sound policy formulation appears more difficult to achieve, given the force of special interest pressures.

The resurrection of the political parties, then, appears to be an essential step to the renewal of American federalism and the restoration of competence to and confidence in basic governmental processes. It seems unlikely that a more effective allocation of federal-state-local functional responsibilities can ever be devised in the absence of stronger, more responsible political parties. Indeed, it is an open question whether meaningful democratic government itself can exist without the mediating influence of political party organizations.

The Commission believes that some strengthening of the two-party system is an essential prerequisite to the restoration of balance to the American federal system. Only strong political parties, we feel, could ever effectively counterbalance the hodgepodge intergovernmentalizing and fragmenting tendencies inherent in the present “special interest state.” A number of interrelated reform proposals have been advanced with the aim of increasing the internal coherence of the political parties while maintaining a measure of organizational decentralization. These merit full consideration.

Several key measures have been urged in order to provide for greater intra and interparty debate

on key issues at all levels of government. Some of these involve changes in party organization and procedure. The parties, many reformers contend, have been negligent in performing a primary policy function: the preparation of a comprehensive party platform and, especially, its execution through legislative action. The platform-writing process is, of course, the major vehicle for party deliberations on key issues. Careful assessments show that the two major party platforms do differ in significant ways, thus offering some choice to the voters. The problem is less with content than with the fact that the platforms are too often ignored by party leaders and members.

A part of the difficulty seems to be that the party platforms, written at four-year intervals, may quickly become outdated as new problems emerge. For this reason, the Commission urges that both major political parties hold regular midterm national conventions, with delegates including both elected officeholders and rank-and-file members. Such conventions would provide an appropriate forum for the debate of issues, and have as their major function the renewal of the party platform. In this way, then, platforms could both be publicized and revised to be in keeping with changing needs and priorities. We note that the other mechanisms which theoretically are intended to provide overall policy direction for the political parties have proven to be inadequate. The national committees, which supposedly are responsible for the development of party policy between conventions, meet infrequently and have not been effective decisionmaking bodies.

The Commission recognizes that some experience has been gained with this proposal, in that midterm conventions have been held twice by the Democrats, in 1974 and 1978; we also note that neither session has measured up to expectations. Some have described the conventions as the sites of intraparty battles, more suited to "blowing off steam" than serious debates over policy. Yet the experiment is by no means over. The Republican Party has not tested it, and many reformers—including this Commission—feel that it is equally or even more important that the opposition party assemble regularly to prepare an alternative approach to key issues.

The Commission is convinced that there is a parallel need to interject the more frequent consideration of key issues at the state and local levels. State parties also should hold regular, preferably

annual, conventions or conferences for the clarification and renewal of their platforms. County, town, and city party organizations, too, need to assume more issue-oriented functions.

From the implementation standpoint, the Commission insists that those who will be charged with executing the party platform should share in, and contribute, to its drafting. Furthermore, if the intergovernmental dimensions of domestic policy issues are to be considered adequately—and essentially *every* domestic policy issue has major intergovernmental aspects—it is important that national and state party conventions provide for full participation by their members holding elective office at the state and local levels.

Elected officials and top party officials also have much to contribute to the other major convention activity, that of selecting Presidential candidates. A process of "peer review" by other politicians, after all, is an excellent means for assessing an individual's leadership record and potential, and is a useful step in assembling the coalitions necessary for effective governance.<sup>85</sup>

In the past, all of these goals were achieved as a matter of course, since many states reserved delegate positions for their top elected officials, including Governors, Representatives, and Senators. However, recent changes in the rules of the Democratic party concerning delegate selection have resulted in a substantial decline in convention participation by public officials. Traditional descriptions of the highly decentralized party structure are no longer accurate. Previously, convention delegates were selected according to rules determined by each state party and legislature, and the Republican Party continues to give the states substantial discretion in these matters. But, in the 1970s, the national Democratic Party promulgated detailed new standards superior to state party rules and even to state law. Among other things, these rules encourage proportional representation of various demographic (rather than party membership) groups and require that the delegates' preferences be a "fair reflection" of the Democratic voters' preferences. The practice of automatically designating public officials as delegates was specifically barred. Party officials were henceforth required to compete to be participants in the major undertaking of the national party on the same basis as private citizens.

The end result of these rule changes was that fewer public officials have attended Democratic



conventions. In 1976, for example, fewer than half of the party's Governors served as delegates, and less than one-fifth of the Democratic members of Congress—proportions far below those in many prior years. Many officials were unwilling to compete for seats, and some of those who did were aligned with losing Presidential candidates.

As intended, participation in the convention did become broader demographically, including many more women, nonwhites, and younger persons. Still, many critics charge that power simply shifted to new "elites," perhaps even less representative than the ones they displaced. Most of the new delegates were the enthusiasts of particular issues and candidates, rather than party regulars, and their policy preferences were substantially more "liberal" than those of grassroots party members. Furthermore, they had higher incomes and substantially more education than their predecessors.<sup>84</sup> The drive for greater representativeness, then, produced what many critics feel is a less representative result—a not unfamiliar outcome in the annals of American politics.

The Commission believes that it is essential that the party conventions provide for much fuller participation by the party leadership. To this end, serious consideration should be given to a recent proposal calling for the major state and national officeholders and officials of each party to be named as unpledged, *ex officio* delegates to the party conventions. Under this plan, every U.S. Senator, Representative, Governor, national party chairman and cochairman, state chairman and vice chairman, and each member of the national committee, automatically would participate in convention proceedings, along with other delegates chosen through reformed state primaries.<sup>85</sup>

Minor steps in this direction already have been taken by the Democrats in response to criticisms of the composition of the 1976 convention. For 1980 the Democrats increased the number of delegates by 10% to allow for greater participation by elected party and state officials. These "automatic" delegates, elected by either a state convention or by the other national convention delegates, are to be selected from among the party chair and vice-chair, other members of the Democratic National Committee, the Governor, or the state's Congressional delegation. We regard this change as far too limited in scope. If elected officials are to play a significant role in party affairs, they must be present in far greater numbers.

Other measures are necessary to strengthen the parties as deliberative bodies and policy forums within the legislative branch of the national government. Here, too, the parties are foundering. Despite the skills of the current Speaker and Senate Majority Leader and the two Minority Leaders, the Commission notes the absence in Congress of both effective institutional leadership and a spirit of constructive followership.<sup>86</sup> Party ties—once the best single indicator of voting behavior—have weakened. Today, policymaking responsibility has been assumed increasingly by a host of individual activists, steadily proliferating subcommittees, and—most recently—an expanding array of special interest (regional, demographic, economic) caucuses. Under these circumstances, the national legislature is *responsive* to everyone, but *responsible* to no one. Action on petty concerns is facilitated, while action on overarching new national problems is inhibited, even blocked.

The present fragmentation of authority in Congress reflects long-established trends. At the turn of the century, a tight oligarchy held sway in the Senate, while "Czars" Reed and then Cannon exercised close control as Speakers of the House of Representatives. Ever since the "revolt of 1910-11," however, comparable direction of legislative affairs has been impossible. Even the strongest Congressional leaders of more recent times—Senate Majority Leader Lyndon Johnson (D-TX) and Speaker Sam Rayburn (D-TX)—were unable to exert all that much influence over the committees and their chairmen, where real power rested. The proliferation of narrow categorical grant programs was directly tied to these changes in Congressional organization and procedure, and also is at the heart of the difficulty of establishing clear-cut, comprehensive national policy goals.<sup>87</sup>

In the past decade, efforts to "open up" more meaningful participation to the rank and file have further reduced the influence of committee chairmen. For a brief period, the party caucus enjoyed a resurgence of authority, with House Democrats leading the way. The results were mixed. On the one hand, some committee chairmen who were out of step with rank-and-file views were deposed, and the capacity of individual chairmen to block legislation enjoying broad party support was reduced. But, at the same time, the caucus's steering and policy committee largely failed in its efforts to coordinate policy development in such fields as energy, or to overcome other divisions among overlap-

ping committees. Indeed, critics note that the caucus speeded the diffusion of power by encouraging the creation of additional subcommittees, with many independently staffed and operating separately from the parent committees. In their view, the end result was chaos, not order; anarchy, rather than participation.

Many members and close observers of the Congress, including this Commission, believe that this further dispersion of authority and responsibility produced by the decline in the power of committee chairmen can only be overcome by a strengthened leadership acting in conjunction with a revitalized caucus (conference). The present three-way tug-of-war between and among the leaders, the chairmen, and the junior members is a direct result of the ostensible reforms initiated in the early seventies, and the unreal expectations of new members arriving in that period. It has produced a situation that no group is satisfied with, as well as contributing to the process of incessant intergovernmentalization.

To correct this condition will require a responsible and reciprocally supportive relationship between the leadership and the party members acting through the caucus (conference). It means a strengthening of the "generalist" instrumentalities of the parties and a concomitant curbing of many functional interests—whether they be the committees and their chairmen, or the subcommittees and their chairmen. A national deliberative body wherein every member acts as if he or she were the "great law-giver" is an assemblage that cannot function coherently.

In the past, the procedures, the political institutions, and the "folkways" of Congress curbed this form of impulsive individualism, but no longer. Procedures are needed, then, that compel some discipline, as we have noted in the second recommendation. The older institutional values (apprenticeship, expertise, and appropriate deference) need to be accorded a more honored place in the informal system of rewards and sanctions. Equally important, the party mechanisms should begin to recognize the challenges that confront them in the 1980s.

With responsible leadership, we believe, that party caucuses might again be employed to provide more meaningful opportunities for participation on key decisions for the rank-and-file members. For example, the votes on budget ceilings provided for in the Congressional budget process are one point

at which the role of the caucuses might well be expanded. After all, the budget resolutions are a key determinant of the general thrust of national policy since they determine overall levels of spending, taxation, and debt, and fix expenditures levels in major functional areas. Recent experience suggests that the parties can and should contribute much to the redefinition of the federal government's financial and programmatic role through the budget process if they organize themselves for the task.

In the House of Representatives (though not in the Senate), the Congressional budget process has been deeply partisan since its inception, with the Republicans frequently proposing across-the-board cuts in the budget resolutions prepared by the majority Democrats. In 1980, both parties contributed significantly to the national debate on appropriate levels of federal spending. Following an unprecedented two-week series of budget meetings with the White House in early March, Congressional Democrats produced a list of spending cuts as a modification of the President's initial FY 1981 budget, including a reduction of \$10 billion in existing programs and a balanced budget. These actions represented a major effort on the part of the party leadership group to exert fiscal discipline over the committees, making them more responsive to both the leadership and the wishes of the rank and file. Shortly thereafter, the House Republican Policy Committee announced its own alternative budget proposals to substitute for the budget resolution developed by the House Budget Committee. Committee Chairman Bud Shuster (R-PA) described the Republican substitute as providing "a balanced budget which is \$14 billion smaller than President Carter's original FY 1981 proposal, while providing a \$32 billion tax cut for the American people."<sup>88</sup> The Committee adopted a statement calling upon all House Republicans to support its alternative proposals.

Together, these twin actions may well represent an historic effort to loosen the grip of special interests on fiscal affairs. They may prove to be at least beginning steps toward the assertion of more rational fiscal priorities and they suggest that the recommendation advanced here might well be implemented in the near future.

There also are a number of proposed reforms which are intended to strengthen the parties in the performance of their electoral functions. The goal is to reduce the rampant individualism of recent

campaigns and to restore the parties to their traditional role of screening candidates and winning their election. Several specific proposals focus on the Presidential nomination process.

In the view of many strong party advocates, a reduction in the number, dates, and duration of Presidential primaries is a crucial step. These have proliferated rapidly over the past decade, with 37 (including the District of Columbia) being held in 1980, compared to just 17 in 1968. Altogether, nearly 80% of the delegates to national party conventions are now chosen in primaries, rather than state conventions or caucuses. Elections were scheduled on 17 separate dates between mid-February and early June 1980.

The Commission believes that this overextension of the primary device has seriously undermined the deliberative and electoral functions of the national political parties. The national conventions now have taken on the guise of ratifying rather than decisionmaking bodies, while the exhaustive series of state-by-state contests seems a far better test of the limits of human endurance than of the ability to lead the nation. The necessary "blitz" campaign strategy leaves voters with little more than slogans and the candidates' personalities as a basis for their choice. The process often appears to reward candidates who are more skilled in avoiding issues than in confronting them.

Rather than reconciling differences, primary politics also encourages the cultivation of small but intense personal followings, with little attention to the acceptability of the party nominees to the electorate as a whole. Yet Presidents lacking widespread support and a clear national mandate may be expected to have difficulty in leading their party, Congress, or the nation.

Even as participatory institutions, primaries have serious shortcomings. While the primary system is very open, it may well reduce effective popular participation. Turnout in most Presidential primaries is very low, averaging about 25% of the voting-age population in 1976, and not much higher in those held in 1980. Consequently, "victory" often goes to candidates who garner support from tiny fractions of the eligible electorate. Media attention on the early primaries means that the voters in just a few states can have a disproportionate voice in choosing the candidates who will represent the entire nation. For example, critics note that in 1980, the Democratic and Republican nominations appeared to have been effectively captured by Presi-

dent Carter and Gov. Ronald Reagan by mid-March, well before most state primaries and all of the state party conventions, and months before either national convention.

The extensive use made of the primary device for nominating Congressional state, and local candidates has similarly weakened party control over the nomination process without increasing popular participation. Between 1902, when Wisconsin adopted the first comprehensive statewide primary system, and 1955, when a limited form was put in use by Connecticut, primaries swept the entire nation. At present 36 states require a primary for all major party nominations for state offices, as well as most local posts. Others apply the primaries only to selected state posts, or combine state primaries and conventions in varying degrees.

Certain specific forms of political primaries diminish the stature of the parties further by allowing participation by nonmembers, including loyal supporters of the opposition party. In the traditional "closed" primary, which is the dominant form, participation is restricted to declared party members. However, "open" primaries, which permit any registered voter to declare preferences, are found in about one-third of the states, mostly in the West and Midwest. Under these circumstances, voters may "cross over" and vote for opposition candidates. Two states, Alaska and Washington, utilize the "blanket" primary, which allows voters to cast ballots for *both* Democratic and Republican candidates. Either approach inevitably weakens party control over the essential nomination function.

The Commission is mindful that a variety of avenues might be pursued to reduce the number and duration of Presidential primaries. Many contend that the responsibility and the remedy rests with individual state legislatures. Yet, state action appears most unlikely. Since many states have apparently adopted the primary system as the easiest way to meet the Democratic Party's age-race-gender quotas, some believe that only the abolition of these quotas would facilitate a return to state convention or caucus systems for the selection of delegates.

Others call for the retention of the primary device while replacing the three-dozen state contests with a single national or a few regional primaries. The former proposal has attracted much popular support, according to the opinion polls. This system would surely increase both participation levels

and the representativeness of results over those offered by the present collection of primaries, caucuses, and conventions. Yet, it might further undercut the party organizations by entirely removing the nominating function from their hands.

Another approach, also requiring Congressional action, foresees the creation of a shorter series of closed regional primaries. Various proposals suggest five or six multistate Presidential primaries spaced at regular intervals of two weeks or a month. Finally, the primary season might be foreshortened without reducing the number of elections by the designation of a single "national primary day" or a series of perhaps four such days, to be selected at state option.

Under any circumstance, in the Commission's view, both the "open" and "blanket" primaries should be abolished for all offices. In 1980, the Democratic Party took a first step in this direction by restricting the use of the open primary for delegate selection (though not for "beauty contest" expressions of voter preferences). While prior registration is not required, voters must make a "public declaration" of their party affiliation at the polling places for primaries. However, a number of states requested and received waivers of this requirement. Further action is deemed necessary if the parties are to reassert control over their nomination processes.

#### **RECOMMENDATION 4 Protecting the Autonomy of State and Local Governments in National Policymaking**

The Commission concludes that the states and localities also have contributed, both by acts of omission and commission, to the incessant "intergovernmentalizing" of their own processes, programs, personnel and budgets. Moreover, despite their increased representational efforts in Washington—and thanks to the growing strength of vertical functional and single-issue interest groups—the Commission finds that the sensitivity of national policymakers to the role and needs of subnational governments is less now than it was a generation ago, when there were few sustained representational undertakings. Hence . . .

**The Commission recommends that the states and their localities adopt policies and proce-**

**dures which will strengthen the autonomy of their decisionmaking processes and will protect and enhance their authoritativeness as governments within the American federal system. To this end, the Commission urges that state governments take those actions necessary to assure that all local governments have adequate taxing authority and/or state financial assistance to perform the services for which they are responsible and to assure that such governments are adequately structured and monitored to assure proper fiscal management and accountability.**

**The Commission further recommends that the elected officials of the states and their localities, both independently and through their respective national associations in Washington, give priority to protecting and enhancing the status of state and local governments within our federal system and to decongesting intergovernmental relationships by (1) participating with appropriate federal officers in identifying intergovernmental activities that are most appropriate for full federal assumption or full devolution to state or local governments or the private sector as proposed in *Recommendation 1*; (2) identifying, through survey techniques, those state and local problem areas in which the need for federal financial assistance is of high, moderate, and low priority; and (3) establishing jointly on a permanent basis a state-local legal defense organization, with adequate funding, professional staffing, and appropriate assistance from the states' attorneys general, to monitor and institute legal action opposing "coercive" conditions attached to federal grants and "intrusive" Congressional exercise of the commerce power.\***

Paralleling the shift in governmental authority toward Washington over the past 20 years has been a comparable political shift. This recommendation addresses one of the basic problems generated by this development. A once strongly decentralized political system has become a more national as well as an excessively pluralistic one. Power has been both centralized and "atomized," following lines that are mostly functional, rather than sectional or territorial, in character. For this

---

\*OMB abstained, believing the issue to be primarily of state and local concern. OMB noted with concern, however, that the legal defense fund might encourage an increase in lawsuits against the federal government.

reason, contemporary authorities often describe intergovernmental administrative and political relations as a "picket fence," controlled by "vertical functional autocracies" concerned with narrow programmatic interests.

One of the many consequences of these changes is that the historic autonomy and independent Constitutional status of the states and their localities are accorded far less weight in the nation's political processes than formerly. In the not-so-distant past, the strongly decentralized system of political parties led by state and local officials served as a principal informal bulwark of federalism.<sup>89</sup> Political reality demanded that the interests and concerns of state and local governments automatically be accorded deference at the national level—and such generally was the case through the early 1960s.

Now, various specialized constituencies and interest groups have become major sources of campaign funds, manpower, and votes. For this reason (among others), Congress, the executive branch and federal courts may rush into areas where they once feared to tread at all. Questions of federalism often are treated as minor matters of legal technicality, rather than high principle, while fields once regarded as purely subnational concerns are marked by proliferating aid programs. The conditions under which federal assistance is offered have become more numerous, more onerous, and sometimes even more openly coercive than could have been imagined possible two decades ago.

Furthermore, as a host of past Commission studies have indicated, federally aided activities are often difficult for "generalist" state and local officials to monitor and control. And, with the growing fiscal reliance on outside aid necessarily has come some decline in state-local political and programmatic independence.

A wide range of factors—not one—lie behind these political trends, as this study has indicated. Still, in a number of ways, state and local governments themselves contributed to the shifts of power and responsibility to Washington and undercut their own political position within the federal system.

First of all, the subnational political, institutional, and programmatic weaknesses of states and local governments in the 1950s and early 1960s created a climate of national opinion in favor of federal intervention. Malapportionment, outdated state constitutions and local governmental chart-

ers, inadequate tax systems, a failure to address adequately the problems of metropolitan areas, and especially the denial of basic civil rights to blacks and other minorities, all provided an impetus for national action and an undercutting of the legitimacy of traditional "states' rights" defenses. While the more recent record shows that the states have made substantial progress in "modernizing" their executive and legislative branches, and in increasing participation in and the accountability of their own political processes, these reforms unfortunately have not reduced, let alone reversed, the drift of influence to the nation's capital.

State and local governments also were not altogether passive bystanders as the federal role changed. Mayors, Governors, and other elected and appointed "generalists" have usually actively supported expanded federal programs. Some of the older "public interest groups" representing these officials not unnaturally were founded during the Depression era to seek federal assistance in dealing with the national economic crisis. The historical record shows that the policy positions of these organizations far more frequently have favored, rather than opposed, the creation, continuation, and expansion of federal aid programs.<sup>90</sup>

These groups now follow national legislative and budgetary events very closely and lobby hard to maintain the flow of federal funds. Over the past decade and a half, state and local governments have "come to Washington."<sup>91</sup> Those associations which lacked lobbying arms in the capital have created them, or relocated there. The number of states having their own Washington staffs has more than doubled in the past ten years, while nearly 100 cities and counties have developed federal representatives. Grantsmanship, as well as institutional protective, communicational, technical assistance, and grant reform efforts on behalf of their members, is a basic activity for all of these units.

Still, the rise of this very sizeable intergovernmental lobby is better viewed as a *response* to rising levels of federal assistance, rather than the *root cause* of it. The public interest groups, like many other representational organizations, can be described accurately as a "resultant interest." The Commission's case studies do not suggest that the lobbying activities of generalist state and local government officials have been a crucial factor in the initial federal forays into most of the new func-

tional areas examined. On the other hand, it is clear that state and local governmental organizations do play a significant supportive role in maintaining and sometimes expanding programs, regardless of their origin, and they can make termination or the targeting of aid funds more difficult. In this respect, they may be regarded as a centralizing force.<sup>92</sup>

Now, it seems clear that the public interest groups—jointly and individually—must reestablish their distinctive status as representatives of coequal levels of the federal system. Because of the widespread power of special interest groups, the nation's Governors, state legislators, mayors and county officials are viewed by some of the national counterparts as just another lobby, rather than as full partners in the business of governing.<sup>93</sup> Hence, their critics contend that national organizations devote far too much of their effort to “grantsmanship” and lobbying activities, rather than attempting to find solutions to public problems through state or local initiatives.<sup>94</sup>

At least until recently, the critics charge, these national associations did not establish clear priorities for federal aid, either individually or jointly. Furthermore, traditional jurisdictional rivalries and distrust seem to have risen with the increased flow of federal dollars. For example, local governments have looked chiefly to Washington, rather than the states, for a sympathetic response to their problems, while the resulting federal-local programs often have effectively shut the states out of various urban issues. Other competitions are apparent within and between different types of local governments and substate agencies; between urban, suburban, and rural jurisdictions, and among the nation's geographic sections. All of these conflicts have made the protection of vital state and local interests more difficult.

On the other hand, it must be recognized that the public interest groups always have been one of the leading proponents for the decentralization, standardization, simplification, and deregulation of the intergovernmental system. For at least three decades, state Governors have challenged what they regarded as onerous or unworkable administrative provisions, and the “categorical grant explosion” of the mid-1960s was met by vociferous complaints about complexity, confusion, and red tape from many mayors as well. Ever since that time, state and local governments have been in the forefront of efforts to improve and simplify federal

aid through reformed administrative procedures and broad-based grants. Neither the *Intergovernmental Cooperation Act of 1968* nor the *Uniform Relocation Act of 1970*, to cite the most obvious examples, could have been enacted without the steady support and active promotional efforts of the public interest groups. Most recently, these organizations have advanced proposals on a broad agenda of intergovernmental issues, including grant consolidation procedures, crosscutting regulations, governmental accounting standards, regulatory reform, fiscal notes, fair labor standards, and welfare reform, among others. During the past decade, public interest groups also have substantially expanded their research, training, and service activities, both independently and through their jointly owned affiliates: Public Technology, Inc., the Academy for Contemporary Problems, the Center for International Urban Liaison, and the National Training and Development Service.

Yet, despite these continual pressures, the combined efforts of state and local governments and the public interest groups have not stemmed the growth of federal intrusiveness. While the enactment of General Revenue Sharing in 1972 can be attributed in large part to the persistent lobbying of subnational public officials,<sup>95</sup> only modest and partial successes have been achieved in the area of grant consolidation and grant simplification, while the number of separate categorical programs and associated regulations has continued to grow.

On the judicial front, public interest groups generally have played at best a tertiary role in contesting the expanding scope of federal regulations. Yet, over the past ten (and especially the past five) years, individual state and local governments increasingly have challenged arbitrary, onerous, and capricious Congressional and federal agency regulations and decisions in the courts. In general terms, this trend reflects a shift from a cooperative to a confrontational mode of federalism. More specifically, it is a product of the addition of many complex new regulatory “strings” to grant relationships, the expanding number of grants and grantees, and a new defensiveness produced by fiscal dependency and federal leverage. The consequence has been a rapid growth in federal grant-in-aid law. Indeed, more than 80% of all of the court cases dealing with grants have been handed down since 1975. A number of other important cases have attempted to examine the scope of local authority under the 10th Amendment in areas not

involving grant funds, as with land use zoning.

Nearly all of these cases, however, have been brought by individual states, cities, counties, special districts, and nonprofit organizations—and not by the public interest groups—with the principal exceptions thus far being the landmark 1976 decision in *National League of Cities v. Usery*,<sup>96</sup> and the joint participation of some 1,431 plaintiff state and local governments in *County of Los Angeles v. Marshall*.<sup>97</sup> The burden of maintaining state and local rights—as opposed to maintaining the flow of federal dollars—has fallen primarily on particular jurisdictions, even though the resulting decisions have important implications for many.

In sum, then, while the organizational and representational activities of state and local governments over the past 15 years have increased their capacity to secure federal dollars, their determination and capacity to ward off federal intrusions have not kept pace. Greater recognition of some spheres of real autonomy for state and local governments within a balanced federal system will require dramatic and persistent efforts on the part of state and local governments themselves.

What, then, should be done in light of the foregoing political analysis? Although most of the dramatic changes in federalism over the past two decades do bear a “made in Washington” label, the actions and inactions of state and local governments have contributed to them. Furthermore, state and local governments necessarily must play a vital role in restoring balance to the system and improving its overall performance. Many friends, as well as critics and reformers suggest a number of ways in which these governments, and their associations, could contribute to this objective, and with some of these, the Commission concurs.

First, the Commission believes, it is of paramount importance that state and local governments continue current efforts to put their own houses in order, for only if the states, localities, and metropolitan areas are able to demonstrate an effective political, administrative, and fiscal capacity for self-governance can they expect that Washington will pursue a national policy of respect and devolution. Despite the positive record of recent accomplishment, we believe that the public interest groups could play an even greater role in capacity building, in identifying and evaluating innovative policies and administrative practices, and increasing the quality of state and local leadership. They, as well as state associations of local govern-

ments and individual jurisdictions, should regard the development of solutions to public problems at the state and community levels as a paramount objective.

Second, but no less importantly, state and local governments must reassert their own independence—in part, by reordering their own lobbying priorities. Such an effort is in fact underway. Especially during the past two years, the public interest groups have recognized that simply asking for more federal money is not an effective way of addressing every emerging problem.<sup>98</sup> Some have attempted (though with limited success thus far) to identify those fields in which their members’ need for federal assistance is paramount, secondary, or only tertiary.

One strategy employed, and worthy of further utilization, has been the membership survey. In 1979 both the National League of Cities (NLC) and the National Governors’ Association conducted a mail questionnaire review of federal assistance issues. These studies addressed problems in the operation of intergovernmental programs, and, for the first time, also took initial steps in developing a strategy for the “sorting out” of governmental functions. Similarly, at its meetings in 1979 and 1980, the National Conference of State Legislatures (NCSL) took on the task of listing those areas where federal grant-in-aid programs to state governments could most appropriately be reduced. The Commission is convinced that these efforts, if expanded and adequately supported by the membership and national staffs of all the public interest groups, offer promise in improving the balance of federalism.

The national government now appears to be more open to—and, indeed, is actively encouraging—advice and assistance on these matters. At the March 1980 meeting of the NCSL, President Carter indicated his willingness to consult closely with state and local government leaders to determine which levels of government are best suited and best equipped to carry out particular functions. “This needs to have a reassessment,” he declared, adding that “I need you to help me with it.”<sup>99</sup> Similarly, Congressman Bolling (D-MO) has sought state and local support for his proposed Commission for More Effective Government.

In the judicial area, the Commission is convinced that state and local governments must maintain a vigilant posture against coercive federal actions. The courts remain the final recourse available to

state and local governments to challenge the validity, or even the constitutionality, of federal regulations, while the decision in the *NLC* case could mark the beginning of an era of reaffirmation of state and local rights within the federal system. This potential, however, will be realized only if the states and localities assert themselves skillfully, repeatedly, forcefully, and cooperatively.

While individual jurisdictions have achieved some notable successes before the courts, the present ad hoc approach to legal questions does not make it easy to challenge federal actions. Too many state and local governments simply lack the financial capacity to pursue expensive litigation, sometimes to the highest level, where the costs are likely to run into hundreds of thousands of dollars. Virtually none possesses the necessary highly specialized legal expertise for Constitutional tests. Neither is this function an easy one for the public interest groups to assume. While *NLC v. Usery* remains a signal victory, the effort was initially launched somewhat reluctantly, and it was not easy to obtain the broad support and funds needed to fight the case all the way to the Supreme Court.

For these reasons, the Commission urges the creation of a mutual "legal defense fund" for state and local governments, following the models employed so successfully by various civil rights and environmental groups. If properly organized, staffed, and financed, such an organization could help assure that state and local rights and concerns are fully recognized, if not respected, by federal agencies and indeed by the federal judiciary itself. Such an organization could have several functions:

First, it could play a major informational role as a clearinghouse—a source of information on recent and forthcoming decisions.

Secondly, it also could help identify those federal actions which impose the greatest costs or administrative burden and lend themselves to litigation. In the *NLC* case, it took some time before state and local government officials recognized the full implications of a complex statute, while the final victory depended upon a clear showing of factual financial damage in some 700 pages of reports from affected cities and states.

Third, such an organization could help identify the state and local government which is in the best position to challenge the federal law or regulation, or lower court decision, and mar-

shal others for participation in the legal process.

Finally, it might take on the function of instituting major suits itself on issues involving fundamental principles involving a large number of jurisdictions. The costs of such litigation could be allocated equitably among participating jurisdictions—perhaps on the basis of a formula reflecting population size, extent of impact, or other similar factors.

In this regard, the Commission commends the creation of a legal advocacy group by the National Institute of Municipal Law Officers (NIMLO) in November 1979. Composed of several municipal attorneys, this new group is attempting to screen cases brought to its attention, identify those of nationwide impact, and determine whether NIMLO's involvement is appropriate. Yet, a more broadly based effort of this kind remains necessary.

In summary, the Commission believes that a restoration of balance to American federalism and the improvement of intergovernmental relationships requires a determined effort on the part of state and local governments, no less than federal officials. The recent actions of individual officeholders and jurisdictions, and of the public interest groups, directed toward these ends are a positive sign and should be maintained, strengthened, and expanded.

## **RECOMMENDATION 5 Strengthening the Concept of Constitutional Federalism**

The Commission finds that the present dysfunctional pattern of intergovernmental relations is partially a byproduct of a decline among the citizenry and officeholders at all levels in their understanding of the meaning and practice of Constitutional federalism and of the absence of any dramatic, highly visible effort to address the future of federalism.

**Hence, the Commission recommends that educators, the media, and public officials at all levels in this decade of the Constitutional Bicentennial stress that the essence of our nearly 200 years of uninterrupted Constitutional development, not to mention the more than 800 years of Anglo-American experience, is the concept of**



limited government and that this concept of Constitutionalism above all else involves a system of regularized constraints on both the governors and the governed and in the American context a basic constraint is the effective application of the federal principle.

In order to help further this educational goal as well as to curb some of the systemic conflicts in contemporary federal-state-local relations, the Commission further recommends a convocation by the President of leaders of Congress, the Governors, state legislators, county officials, the mayors, and the public at the earliest possible convenient date to address the current malfunctioning of American federalism and to agree upon an agenda for intergovernmental reform in the 1980s.

The Commission further recommends that the top priority items on the convocation's agenda include: (1) a debate on what the term "national purpose" now means in a regulatory and programmatic sense and should mean in a period of fiscal constraint; (2) identification of needed fiscal/functional "trade-offs" between and among the traditional levels in light of their actual and potential revenue raising and servicing roles; (3) a probe of Congress' power to regulate interstate commerce and the related questions of its use to preempt state and local regulatory authority and to mandate services and management obligations on subnational governments; and (4) a defining of the parameters of Congress' conditional spending power, including its use for aiding any and all governmental services, for regulating, and for mandating.

In urging this two-part recommendation, the Commission focuses first on our Constitutional heritage and its relevance to the mired and murky pattern of today's myriad intergovernmental relationships. At the outset, the Commission addresses elected and key administrative public officials at every governmental level as well as the molders and shapers of public opinion and of youthful minds—reminding them that the type of Constitutionalism which we and approximately 25 other nations know and practice is the product of a long evolutionary process and that it, and it alone, establishes the critical criterion for differentiating between open and closed, free and fettered, genuinely democratic and authoritarian or totalitarian regimes.

The Commission is convinced that our historic concepts of constraints on governmental power and arbitrariness, of formal and informal "rules of the game" to which all political participants adhere, of reciprocally responsible relationships between government(s) and the electorate, and of a citizenry that is as mindful of its responsibilities as of its rights (whether individual or collective, whether majority or minority) have been lost sight of, even though they lie at the heart of America's Constitutional heritage. Neither public officialdom nor the mass media have duly noted this dark development or warned of its potential long-term damage to the very foundations of our system. Similarly, within the scholarly community, only a very few individuals—and but a single research institute, the Center for the Study of Federalism at Temple University, with its journal *Publius*—have thoroughly explored the application of federalist principles to the problems of contemporary government.

Even though the federal principle in the American setting has served as a major constraint—both politically and constitutionally—on governments at all levels, this too has been largely ignored or dismissed as a concern of antiquarians. The reasons for this are many, but this is not the place (1) to describe or dissect how the media is organized, who it hires, or how it covers public events—other than to note that it generally acts and reports nationally as if it were in a unitary system; (2) to diagnose the defects in social studies' teaching in secondary schools; (3) to bemoan the absence of all but a few genuinely broad-gauged, "renaissance" types in the political science, economic, and legal areas at the tertiary educational level; or (4) to chronicle further the insensitivity, if not the unawareness, of government officials—especially at the national level—to the necessities and advantages of Constitutional federalism. The Commission's call here for a broad educational endeavor to inform and illuminate the thinking of the public, its governmental officials, and even its educators clearly is in order and is especially appropriate in this decade of the Constitutional Bicentennial.

To those who claim that such a call is the last refuge of the desperate, if not the naive, our response is with the words of Jefferson: ". . . whenever the people are well informed, they can be trusted with their own government; . . . whenever things get so far wrong as to attract their notice, they may be relied on to set them to rights."<sup>100</sup> To

those who deem the issue of Constitutional federalism as irrelevant to our nation's current basic concerns, let them ponder the degree to which practically all of domestic American government is now caught up in the intergovernmental labyrinth. Let them also gauge the extent to which our present difficulties stem from our adherence to a crypto-federalist creed which confuses roles, convolutes responsibilities, and recoils from facing administrative, programmatic, and regulatory realities.

So, we sanction a widespread educational effort, through the media and other public forums, in and outside of the classrooms, and at the annual meetings of every group that seeks to shape the public agenda—with politicians, judges, and pressure group spokesmen not absenting themselves from the dialogue.

In terms of its possible format, such an effort might begin with a probe of first principles and with the query: What do the terms "representative," "federal," and "democratic" mean today as they apply to the American system? It might proceed with the question: What principles, in fact, shape or are reflected in the current governmental and political practice? And it might conclude—hopefully by 1987—with a probe of what in our 200 year Constitutional legacy is outdated, what needs to be revised, and what is wholly relevant to our third century of development? Out of this conceivably could come a "New Public Philosophy" to replace the one that was shattered in the 1960s.

As a corollary proposal, the Commission recommends that the President—whoever he or she may be—convene at the earliest convenient time an assemblage of key federal, state, and local officials, as well as lead spokesmen for the public-at-large, to confront the symptoms of and to come up with some solutions to the dysfunctional features of the system. Such a convocation would dramatize that the era of fanciful federalism is clearly over and that the nation has need for more than incremental, politics-as-usual approaches to the domestic difficulties that will face us in the 1980s. As a noted national columnist envisages it, such an assemblage "meeting over several weeks in the early 1980s to hammer out a governmental reform agenda for the decade—might offer the only early opportunity to resuscitate a badly wounded American federal system."<sup>101</sup> At the same time, it would avoid the trauma and potential turmoil of the full-scale Constitutional convention some have called for and others actually seek.

Critics of this proposal find it impolitic and impractical. The last thing politicians would concede, they argue, is that the system that produced them is "badly wounded." The inevitable tendency of most elected officials to endorse either status quo or moderate incremental approaches to change would guarantee not much more than a series of headlines—starting on page one during the early days of the convocation and ending up buried in the newspaper, possibly close to the obituary column. Moreover, some among the critics see in it too much of Canada's regular conferences of the dominion and provincial premiers, but without the capacity of these partners in Canada's federalism to debate authoritatively and to deliver on their promises—thanks to their more cohesive parties and parliamentary set-up at both governmental levels.

Yet, the Commission is convinced that a highly visible and dramatic event is needed to focus the mind of the public and its officials on the future of federalism, and we believe that such a convocation would serve admirably to accomplish these high purposes. Furthermore, were its agenda to include the four items cited in this recommendation, we are convinced that a major first step would have been taken to bring down the curtain on the drama that has been playing steadily as the system's presentation of "Federalism in Action" for the past decade and a half.

An opening debate on what is a "national purpose" in an era of fiscal constraint might well lead to a rejection or modification of the present political method of defining it, i.e., any purpose that is embodied in legislation enacted by Congress and signed by the President is deemed a national one. It might even produce a hierarchy of concerns: paramount (defense, foreign relations, and the economy); primary (post office, internal revenue service, immigration service, national parks, and other direct services as well as a range of regulatory activities in communications, transportation, banking, energy, and like areas); secondary (here the array of federal promotional, lesser or concurrent regulatory, and grant programs would come into play along with a range of value judgments about these myriad undertakings); tertiary (comprising what is sorted out from the secondary concerns and what is chiefly a state or local responsibility, but still warrants a modest federal involvement of some kind); and of no real concern (programs and activities that have outlived their

usefulness, have had counterproductive effects, or have exerted minimal or no real impact as gauged by their tiny budgets or trivial purposes). Such a debate might even lay the groundwork for answering authoritatively, at least in some policy areas, what level of government has or should have the dominant role.

As a close follow-up to this difficult but hopefully defining dialogue, a hard-headed discussion of "trade-offs" might well ensue. The earlier probe of federal grant and regulatory efforts almost certainly would have identified key areas which nearly all participants believed should be of primary national importance (perhaps income maintenance and health insurance) and this might suggest their national takeover—both financially and, one way or another, administratively. Those programs left or relegated to the "tertiary" or "no concern" categories obviously would be candidates for state or local pick-up. What is obviously intergovernmental (parts of transportation, energy, and the environment—for example) and what are clear candidates for consolidation also would be highlighted.

In short, this phase of the convocation could provide a high-level political forum in which to attempt and practically adapt the decongestion strategy outlined in our first recommendation. And while we are mindful of its political difficulties, we also are mindful that the Presidency, the Congress, and the federal bureaucracy as well as the federal fisc cannot function effectively under today's heavily overloaded system. Moreover, the public is seeking greater accountability from elected officials at all levels—a practical impossibility in a "super-marbleized system."

If trade-offs are developed and even if they involve a number of program areas, there no doubt will be plenty left in the intergovernmental realm. Hence, some effort should be made to grapple with that pair of Congressional authorities that impact so heavily in this area: the commerce and conditional spending powers.

The Commission is convinced that Congress' power to regulate interstate commerce is a matter that should not be left solely to a permissive national political process or to the federal judiciary. Hence, the need for its consideration by the convocation. Among the central issues that might be probed are: (1) intentional, unintentional, and unilateral federal administrative preemption of the states' role in a regulatory area; (2) the ambiguities

in and special needs of federal programs that mix regulatory and grant components (meat and poultry inspection, surface mining, etc.); and (3) use of the commerce power to mandate servicing or other requirements on subnational governments. That there are limits to this power, none—including the federal judges—deny. Yet, their exact nature in this post-*National League of Cities v. Usery* era is a very open question—one that such a convocation might well address and not necessarily in wholly legal terms.

Finally, the remarkable assertions of federal authority under the cloak of Congress' capacity to attach conditions to grants needs a thorough airing. Vertical conditions attached to individual programs that require, for example, changes in a state's constitution, or the establishment of a unit within a county government over which the county has no real influence, or a particular pattern of headquarters-field relationship within a state department suggest just how far the conditional spending power has been pushed. And the three score horizontal (crosscutting) conditions relating to a range of national social and environmental goals underscore how federal intergovernmental fiscal transfers can be harnessed to regulatory purposes—purposes whose cumulative effects have yet to be assessed thoroughly by anyone. The convocation might well examine the kinds of conditions attached to federal aid that really amount to coercion. After all, the old and still binding rule that recipients may avoid the conditions by refusing to participate in the grant program has become an unrealistic option for many states and localities.

To sum up, this Commission sanctions a Presidential call for a convocation of key leaders from all levels and from the citizenry because the crucial issues confronting the system need to be discussed and debated in such a dramatically novel, yet deliberative forum. Who knows, perhaps some decisions might be reached on some of them. Politics inevitably would enter into the convocation's proceedings, but given the times, its auspices, and its weighty agenda, statecraft also might manifest itself. In any event, this Commission would provide any assistance that is appropriate to such an assemblage, were it convened.

## **RECOMMENDATION 6** **Ending the Ambiguities in the** **Constitutional Amendment Process**

The Commission believes that the power con-

ferred upon the legislatures of two-thirds of the states to petition for a Congressional call for a Constitutional convention to draft correcting amendments should be accorded the same degree of dignity, feasibility, and legal clarity as the more familiar Congressional initiating option. The Commission finds the absence of clear guidelines regarding the unused state initiative approach to amending the U.S. Constitution has been a subtle, yet significant factor in the breakdown of constraints at the national level. Hence. . .

**To end the uncertainties and ambiguities regarding the alternative state-initiating amendatory process authorized by the U.S. Constitution, the Commission reaffirms its recommendation of February, 1971 which urged “the Congress at its earliest opportunity” to “enact the proposed Federal Constitutional Convention Amendment Act” in order “to provide needed guidelines for a Constitutional convention to consider specific amendments to the U.S. Constitution—should one be invoked by petition from the states.” Hence, it recommends early passage of the pending version of this legislation (S. 3 and H.R. 1664, 96th Congress).\***

This recommendation calls for an explicit interpretation of the now ambiguous Constitutional amending process stipulated in Article V and in a way that places the state-initiating alternative on an even footing with the Congressional. While the former has never been used successfully<sup>102</sup> and the latter has dominated in practice and legal precedents, five major efforts (prayer in public schools, reapportionment, General Revenue Sharing, anti-abortion, and a balanced federal budget) have been made over the past two decades to utilize the state legislative route to petitioning Congress to convene a Constitutional convention to consider specific amendments to the U.S. Constitution. The current drive for a budget-balancing amendment has come close to receiving the required number of petitioning states (30, as of May 1980, of the needed 34). Yet, Congress still has virtually “no precedents to guide it in answering the myriad questions” in implementing this alternative provision of Article V, as then Sen. Sam Ervin (D-NC) warned some 13 years ago. Many, like Sen.

Ervin and many others, feel that Congress has the power, if not the duty, to remedy this situation by an ordinary statutory enactment. A few others contend that only a clarifying Constitutional amendment will suffice.

For 14 years now, the statutory approach has dominated what thinking has been given to the need to “reduce to orderly processes the chaos, and indeed, the anarchy that threatens” were the requisite number of state petitions to be filed. From 1967 to his retirement in 1974, Sen. Ervin was the focal point of Congressional efforts to establish an orderly process for utilizing the state-initiating option stipulated in Article V. The initial Ervin measure was modified in light of a series of hearings and in its present form [S. 3, Sen. Helms (R-NC), prime sponsor; H.R. 1664, Rep. L.H. Fountain (D-NC); H.R. 500, Rep. Henry Hyde (R-IL) and H.R. 84, Rep. Robert McClory (R-IL)] the bill provides answers to a range of difficult questions regarding amending the Constitution by convention. Its basic provisions specify that:

- The legislatures of the states may call for a convention to propose “one or more” amendments to the U.S. Constitution.
- Adoption of such resolutions must adhere to regular state legislative practice, save for the fact that gubernatorial approval is not needed.
- Such applications remain in effect for seven years, though rescission may occur at any time prior to when two-thirds of the legislatures have filed valid petitions.
- Once the requisite number of applications on the same topic has been filed, it is the Constitutional duty of both Houses of Congress to enact a concurrent resolution detailing the time, place, and specific amendment topics of the convention, which must convene within a year.
- State representation would follow the Congressional formula, with two delegates-at-large elected statewide and one from each Congressional district; compensation to the delegates and other convention costs would be covered in the concurrent resolution.
- The Vice President would formally convene the assemblage, and its permanent officers would be elected subsequent-

---

\*OMB abstained, noting that the Administration has developed no policy on this issue.

ly, with voting on this and all other matters following the one delegate-one vote formula (not on the one state-one vote basis that appeared in the original Ervin bill).

- A majority of the total number of delegates may vote to propose an amendment (not two-thirds, as one earlier version of the Ervin measure called for), but no amendment may be voted that goes beyond the subject area stipulated in the concurrent resolution; the oath that all delegates are required to take at the outset contains the same obligation.
- Any proposed amendment is to be transmitted to Congress within 30 days after a convention's adjournment. On receipt of a validly proposed amendment, both Houses are required to adopt a concurrent resolution of transmittal (which also specifies whether the amendment shall be ratified by state legislature or conventions) or of disapproval (if the proposed amendment goes beyond its proper subject area or if the convention's procedures were irregular). In either case, or even if Congress fails to act within the required period of 90 days of continuous session, the proposed amendment cannot be pigeonholed.
- Ratification follows the Constitutional course, that is, by a vote of three-quarters of the states, but a seven-year time limit is set for this phase of the process and states may rescind an earlier ratification if the three-fourths vote still is lacking.

This bill clearly is designed to carry out Congress' responsibility under the Constitution to enact legislation which makes all of Article V meaningful. This means avoiding the creation of roadblocks in the way of the convention route, while also avoiding the establishment of procedures that would facilitate the adoption of any particular proposed Constitutional change. The steps stipulated in the bill would establish a process which is unambiguous regarding those times when Congress' role is ministerial only and regarding the constraints on a convention.

Those favoring this statutory approach to clarifying Article V have ranged from the late Sen. Everett Dirksen (R-IL) and James J. Kilpatrick to the American Bar Association, *The Washington*

*Post*, and *The New York Times*, over to the *New Republic*. And in February 1971, this Commission sanctioned the objectives of the then pending version of the Ervin bill.

The measure's legislative history, however, has not been promising. The Senate Judiciary Subcommittee on Separation of Powers first held hearings on the initial bill in October 1967. Following the hearings, it was revised in a number of ways. The changes were incorporated in S. 623 (91st Cong.), which Sen. Ervin introduced on January 24, 1969. The subcommittee took favorable action on the bill on June 13, 1969, and reported it to the full Committee on the Judiciary. No final action was taken by the Committee and no companion measure was considered by the House Judiciary Committee.

The measure was reintroduced in the 92nd Congress. In reporting the measure (S. 215) to the Senate in 1971, the Judiciary Committee declared that it was the responsibility of Congress "to enact legislation to make Article V meaningful" and not to make the Constitutional convention "a dead letter." The bill passed the Senate later that year, amid mounting state efforts to obtain General Revenue Sharing via a call for a Constitutional convention. The House took no action, however. Two years later the Senate again responded favorably to the proposal (S. 1815), but again the House desisted.

The currently pending bills (S. 3, H.R. 1664, et. al.) are all identical to the 1973 legislation, with the exception of minor technical changes. The Subcommittee on the Constitution of the Senate Judiciary Committee, chaired by Sen. Birch Bayh (D-IN), held hearings on S. 3 in November 1979 and on May 14, 1980. No House action has been taken on H.R. 1664 and its companion bills.

The reasons for this glacial pace of Congressional action are not difficult to fathom. Enactment has been viewed by many as a step that would aid those who seek to use the state-petitioning route, since cries of "a runaway convention" and "the Constitution would be up for grabs" no longer would be in the arsenal of rhetorical weapons that opponents could employ (and have used previously). Moreover, the drive for this eminently constructive and clarifying proposal has occurred in a period when the specific state petitioning efforts have been classed by many as conservative in character. Not to be overlooked here is the fact that these recent efforts in all instances also have been antifederal government, being directed either at

the Court (as in the prayer, antireapportionment, and antiabortion drives) or at Congress (as with General Revenue Sharing and budget balancing). Finally, a few of the more legalistically minded opponents have contended that the proposed measure, if enacted, could not achieve its stated purpose, since a Constitutional convention could not be restricted solely to the stated purpose for which it was called. All these factors have combined to throw doubt on the measure's worth and to delay its passage.

The Commission rejects all of these dilatory tactics and arguments. Our position is that the framers of the Constitution intended that there should be two means of initiating Constitutional amendments. As Madison stated in the 43rd *Federalist Paper*: "It [the Constitution] . . . equally enables the general and the state governments to originate the amendment of errors, as they may be pointed out by the experience on the one side or on the other." The Ervin bill, in our view, is a proper, procedurally sensible, legally adequate, and politically neutral way of filling out the bare bones of the state legislative alternative provided in Article V and of faithfully elaborating on its brief commentary in Hamilton's 85th *Federalist Paper*.

The nature of the specific amendatory thrusts of

any one period (largely liberal or progressive in the past and more conservative of late) should not serve as the basic criterion for considering the merits of this measure. It is after all a Constitution we are dealing with here—a Constitution that both empowers and constrains power. And its amending process provides alternative ways for launching amendments and for ratifying them, with super majorities required in all cases. Extraordinary concurrent majoritarian hurdles are called for, and the Ervin measure does nothing to diminish their height. Two-thirds of the states must petition and three-quarters are needed to ratify.

Moreover, we are persuaded by the arguments of the American Bar Association and other noted legal experts that Congress has the power, if not the duty, to enact legislation of this type and that such legislation can set the parameters of conventions called to consider a specific amending proposal. We also concur with the judgment of the noted Constitutional authority, Professor C. Herman Pritchett, that "Even the most adamant opponents of Constitutional amendment by convention might well regard such legislation as insurance against future disaster."<sup>108</sup> So we support the measure as being both traditional and timely and urge its speedy enactment.

## FOOTNOTES

<sup>1</sup>This judicial "passivity" in the commerce and conditional spending areas has had the practical affect of accelerating the activism of the federal political branches and in the latter it reflects a sustained effort to ignore the very great changes in the grant system since the mid-60s.

<sup>2</sup>Some slight backing off from the expansionist tendencies of the Warren Court, it should be noted, can be detected in some of the procedural due process cases decided by its successes.

<sup>3</sup>Most of this has escaped the notice of even the closest Congressional observers, since much of the legislation of the 1970s appears to be merely a renewal of the legislation launched in the 1960s. Yet, the dramatic shifts, the major expansions, the much greater role of narrowly based functional interests, the lesser role of federal administrators, and the greater tendency to insert constraining conditions in these renewals—make the process of the 1970s a very different, a less difficult, a more cooptive, and to many, a far less constrained one than its predecessor of the last and all earlier decades. When totally new grant or other novel proposals come up, however, the older "veto group politics" still emerges.

<sup>4</sup>This continued throughout the period, though the majority now wants the programs at less cost and with less inefficiencies.

<sup>5</sup>Medicare and the SSI program are the only basic exceptions to this generalization.

<sup>6</sup>These were adopted at the Commission's March 14, 1980, meeting.

<sup>7</sup>Advisory Commission on Intergovernmental Relations, *Summary and Concluding Observations, The Intergovernmental Grant System: An Assessment and Proposed Policies* (A-62), Washington, DC, U.S. Government Printing Office, June 1978, p. 78.

<sup>8</sup>Advisory Commission on Intergovernmental Relations, *State Aid to Local Government* (A-34), Washington, DC, U.S. Government Printing Office, April 1969, p. vi. In 1969, when this recommendation was adopted, federal public assistance aid programs consisted of aid to families with dependent children (AFDC), old age assistance, aid to the blind, and aid to the permanently and totally disabled. Since then, the last three—the "adult categories"—have been federalized into the supplemental security income (SSI) program. AFDC and Medicaid (medical assistance for the poor and medically indigent) are still federal-state programs, and general assistance remains a state-local program.

<sup>9</sup>Advisory Commission on Intergovernmental Relations, *Categorical Grants: Their Role and Design* (A-52), Washington, DC, U.S. Government Printing Office, 1978, p. 298.

<sup>10</sup>Advisory Commission on Intergovernmental Relations, *Governmental Structure, Organization, and Planning in Metropolitan Areas*, House of Representatives Committee Print, 87th Cong., 1st Sess., Committee on Governmental Operations, Washington, DC, U.S. Government Printing Office, July 1961, p. 49.

<sup>11</sup>Advisory Commission on Intergovernmental Relations, *Periodic Congressional Assessment of Federal Grants-in-Aid to State and Local Governments*, Adopted June 15, 1961, reprinted as Committee Print, 90th Cong., 1st Sess., Senate Committee on Governmental Operations, Washington, DC, U.S. Government Printing Office, July 10, 1967, p. 13.

- <sup>12</sup>Advisory Commission on Intergovernmental Relations, *Impact of Federal Urban Development Programs on Local Government Organization and Planning*, Committee Print, 88th Cong., 2nd Sess., Senate Committee on Government Operations, Washington, DC, U.S. Government Printing Office, May 30, 1964, p. 37.
- <sup>13</sup>Advisory Commission on Intergovernmental Relations, *Fiscal Balance in the American Federal System*, Volume I (A-31), Washington, DC, U.S. Government Printing Office, October 1967.
- <sup>14</sup>ACIR (A-34), p. vi.
- <sup>15</sup>Advisory Commission on Intergovernmental Relations, *Financing Schools and Property Tax Relief: A State Responsibility* (A-40), Washington, DC, U.S. Government Printing Office, January 1973, pp. 4-9.
- <sup>16</sup>ACIR (A-52), pp. 298-304.
- <sup>17</sup>*Ibid.*, pp. 305-19.
- <sup>18</sup>Advisory Commission on Intergovernmental Relations, *Improving Federal Grants Management* (A-53), Washington, DC, U.S. Government Printing Office, February 1977, pp. 266-287.
- <sup>19</sup>ACIR (A-62), p. 78.
- <sup>20</sup>U.S. Commission on Federal Paperwork, *Final Summary Report*, Washington, DC, U.S. Government Printing Office, October 3, 1977.
- <sup>21</sup>U.S. Department of Commerce, *Toward Regulatory Reasonableness*, Washington, DC, U.S. Government Printing Office, January 13, 1977.
- <sup>22</sup>U.S. Senate, Committee on Governmental Affairs, *Framework for Regulation*, Vol. VI of the Study on Federal Regulation, 95th Cong., 2nd Sess., Committee Print, Washington, DC, U.S. Government Printing Office, December 1978.
- <sup>23</sup>Herbert Kaufman, *Red Tape: Its Origins, Uses, and Abuses*, Washington, DC, The Brookings Institution, 1977.
- <sup>24</sup>U.S. Office of Management and Budget, *Managing Federal Assistance in the 1980's*, Washington, DC, U.S. Government Printing Office, March 1980.
- <sup>25</sup>Comptroller General of the United States, *Perspectives on Intergovernmental Policy and Fiscal Relations* (GGD-79-62), Washington, DC, U.S. General Accounting Office, June 28, 1979.
- <sup>26</sup>Richard E. Cohen, "The New Appeal of Congressional Oversight," *National Journal*, Vol. 11, No. 2, Washington, DC, January 13, 1979, pp. 44-49.
- <sup>27</sup>U.S. Office of Management and Budget, *Paperwork and Red Tape: New Perspectives, New Directions*, A Report to the President and Congress, Washington, DC, U.S. Government Printing Office, September 1979.
- <sup>28</sup>"Federal Paperwork Reduction," Executive Order 12174, November 30, 1979.
- <sup>29</sup>Comptroller General, *Program to Follow Up Federal Paperwork Commission Recommendations Is In Trouble* (GGD-80-36), Washington, DC, U.S. General Accounting Office, March 14, 1980.
- <sup>30</sup>Kaufman, *Red Tape: Its Origins, Uses, and Abuses*, p. 62.
- <sup>31</sup>*Ibid.*, pp. 85-86.
- <sup>32</sup>Comptroller General, *Perspectives on Intergovernmental Policy*, p. 37.
- <sup>33</sup>U.S. Office of Management and Budget, *Managing Federal Assistance in the 1980s*, 12 volumes, Washington, DC, U.S. Government Printing Office, August, 1979.
- <sup>34</sup>U.S. Office of Management and Budget, *Managing Federal Assistance in the 1980s*, Washington, DC, U.S. Government Printing Office, March 1980.
- <sup>35</sup>Richard P. Nathan, *The Plot That Failed: Nixon and the Administrative Presidency*, New York, NY, John Wiley and Sons, Inc., 1975.
- <sup>36</sup>By mid-1980, it appears as though the states may lose their funds from this source as a result of federal budget cutting.
- <sup>37</sup>John Shannon, Assistant Director, U.S. Advisory Commission on Intergovernmental Relations, testifying at a Hearing before the Subcommittee on the City of the Committee on Banking, Finance, and Urban Affairs, U.S. House of Representatives, 96th Cong., 1st Sess., *Revenue Sharing With the States*, Serial No. 96-14, Washington, DC, U.S. Government Printing Office, May 3, 1979, pp. 57-58.
- <sup>38</sup>Advisory Commission on Intergovernmental Relations, *Block Grants: A Comparative Analysis* (A-60), Washington, DC, U.S. Government Printing Office, 1977.
- <sup>39</sup>U.S. Office of Management and Budget, *Responsive Federalism: Report to the President on Federal Assistance Review*, Washington, DC, U.S. Government Printing Office, January 1973.
- <sup>40</sup>James C. Miller III and Bruce Yandle, eds., *Benefit-Cost Analyses of Social Regulation: Case Studies from the Council on Wage and Price Stability*, Washington, DC, American Enterprise Institute for Public Policy Research, 1979, p. 5.
- <sup>41</sup>*Ibid.*, p. 10.
- <sup>42</sup>Interagency Task Force on Federal Planning Requirements, *Preliminary Working Papers: Review of Federal Planning Requirements*, Washington, DC, U.S. Office of Management and Budget, October 1977.
- <sup>43</sup>Press Release OMB-47, March 25, 1979, with accompanying fact sheet and supplement.
- <sup>44</sup>The White House, *Federal Aid Simplification: White House Status Report*, Washington, DC, U.S. Government Printing Office, September 1978.
- <sup>45</sup>Federal Assistance Monitoring Project, "Streamlining Federal Assistance Administration," The Final Report to the President, Washington, DC, Advisory Commission on Intergovernmental Relations, offset, October 1978, pp. 5-9.
- <sup>46</sup>Timothy B. Clark, "It's Still No Bureaucratic Revolution, But Regulatory Reform Has a Foothold," *National Journal*, Washington, DC, September 29, 1979, p. 1596.
- <sup>47</sup>ACIR, *Special Revenue Sharing: An Analysis of the Administration's Grant Consolidation Proposals* (M-70), Washington, DC, U.S. Government Printing Office, December 1971.
- <sup>48</sup>Office of Management and Budget, *Special Analysis, Budget of the United States Government, Fiscal Year 1977*, Washington, DC, U.S. Government Printing Office, January 1976, pp. 256-57.
- <sup>49</sup>U.S. Office of Management and Budget, *Budget of the United States Government, 1981*, Special Analysis H, "Federal Aid to State and Local Governments," Washington, DC, U.S. Government Printing Office, January 1980.
- <sup>50</sup>For local school districts alone, this figure is 8.1%. See U.S. Bureau of the Census, *Finances of School Districts*, Volume 4, Number 1, Governmental Finances, *1977 Census of Governments* (GC77(4)1), Washington, DC, U.S. Government Printing Office, March 1979, p. 1.
- <sup>51</sup>The Comptroller General of the United States, *The Federal Government Should, But Doesn't Know the Cost of Administering Its Assistance Programs* (GGD-77-87), Washington, DC, U.S. General Accounting Office, February 14, 1978.
- <sup>52</sup>National Governors Association, *Review of Grant-In-Aid Priorities*, Washington, DC, September 1979, p. 2.
- <sup>53</sup>ACIR (A-52), p. 303.
- <sup>54</sup>*Ibid.*, p. 305.
- <sup>55</sup>Advisory Commission on Intergovernmental Relations, *Inflation and Federal and State Income Taxes* (A-63), Washington, DC, U.S. Government Printing Office, 1976, p. 9.
- <sup>56</sup>This definition excludes states "restraints." Advisory Commission on Intergovernmental Relations, *State Mandating of Local expenditures* (A-67), Washington, DC, U.S. Government Printing Office, July 1978, p. 38.
- <sup>57</sup>Congressional Budget Office, *Federal Constraints on State and local Governments Actions*, Washington, DC, U.S. Government Printing Office, March 1979, p. 5.

- <sup>58</sup>*Ibid.*
- <sup>59</sup>Catherine H. Lovell, et al, *Federal and State Mandating on Local Governments: An Exploration of Issues and Impacts*, Final Report to the National Science Foundation, Riverside, CA, University of California, June 20, 1979, p. 32.
- <sup>60</sup>Since the mid-1930s, Congress has been relatively free from judicial constraints on its actions in this regard. The notable exception, of course, occurred in 1976 with the Court's decision in *National League of Cities v. Usery* (426 U.S. 833). That decision invalidated Congressional use of the Commerce power as applied to the 1974 Amendments to the Fair Labor Standards Act.
- <sup>61</sup>Lovell, et al, *Federal and State Mandating on Local Governments*, p. 56.
- <sup>62</sup>ACIR (A-52), p. 234.
- <sup>63</sup>*Ibid.*
- <sup>64</sup>*Ibid.*
- <sup>65</sup>Lovell, et al, have produced a very detailed mandate typology. Briefly, under the general heading of "Requirements," they identify the following types of mandates: program, program quality, program quantity, and reporting, performance, fiscal, personnel, planning/evaluation, record-keeping, and residual. Lovell, et al, *Federal and State Mandating on Local Government*, pp. 35-41.
- <sup>66</sup>*Ibid.*, p. 168.
- <sup>67</sup>*Ibid.*, p. 167.
- <sup>68</sup>Executive Office of the President, Office of Management and Budget, *Managing Federal Assistance in the 1980's: A Report to the Congress of the United States Pursuant to the Federal Grants and Cooperative Agreement Act of 1977*, P.L. 95-224, Washington, DC, Executive Office of the President, March 1980, p. 34.
- <sup>69</sup>Congressional Budget Office, *Federal Constraints on State and Local Government Actions*, pp. 10-11.
- <sup>70</sup>Sen. Abraham Ribicoff, "For Effectiveness and Efficiency: S. 262," *Regulation* May/June 1979, pp. 17-8.
- <sup>71</sup>U.S. Senate, Committee on Governmental Affairs, *Framework for Regulation*. Vol. IV of *Study on Federal Regulation*, 95th Cong., 2d Sess., Washington, DC, U.S. Government Printing Office, 1978, p. 38.
- <sup>72</sup>Council on Environmental Quality, *Environmental Quality: The Tenth Annual Report of the Council on Environmental Quality*, Washington, DC, U.S. Government Printing Office, 1979, pp. 665-66.
- <sup>73</sup>U.S. Senate, Committee on Governmental Affairs, *Framework for Regulation*, pp. 42-52.
- <sup>74</sup>As early as 1937, the so-called Brownlow Committee on Administrative Management noted this problem and recommended that the independent regulatory agencies be placed under executive branch control.
- <sup>75</sup>Commission on Law and the Economy, *Federal Regulation: Roads to Reform*, exposure draft, Washington, DC; American Bar Association, August 1978, pp. 95-96.
- <sup>76</sup>Congressional Budget Office, "The Number of Federal Employees Engaged in Regulatory Activities," Staff Paper presented for the Subcommittee on Oversight and Investigation, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, August 1976, pp. 1-2, as cited in Committee for Economic Development, July 1979, p. 58.
- <sup>77</sup>*Ibid.*, pp. 58-9.
- <sup>78</sup>William G. Colman, "Reshaping the National Government's Role in the Federal System," in Advisory Commission on Intergovernmental Relations, *Hearings on the Federal Role in the Federal System* (A-86), Washington, DC, U.S. Government Printing Office, 1980.
- <sup>79</sup>ACIR (A-52), p. 316.
- <sup>80</sup>Everett Carl Ladd, Jr., *Where Have All the Voters Gone?: The Fracturing of America's Political Parties*, New York, NY, W.W. Norton & Co., 1978.
- <sup>81</sup>James L. Sundquist, "The Crisis of Competence in Government," *Setting National Priorities: Agenda for the 1980s*, ed. Joseph A. Pechman, Washington, DC, The Brookings Institution, 1980, pp. 542-3.
- <sup>82</sup>"Payment Deferred: The Inheritance of the New Decade," *National Journal*, Washington, DC, January 19, 1980, p. 84.
- <sup>83</sup>Sundquist, "The Crisis of Competence in Government," pp. 543-4.
- <sup>84</sup>For a comparison of convention delegates see Austin Ranney, "The Political Parties: Reform and Decline," *The New American Political System*, Anthony King, ed., Washington, DC, American Enterprise Institute for Public Policy Research, 1978, pp. 213-47.
- <sup>85</sup>Everett Carl Ladd, "A Better Way to Pick Our Presidents," *Fortune*, Chicago, IL, May 5, 1980, pp. 132-142.
- <sup>86</sup>Sundquist, "The Crisis of Competence in Government," pp. 548-552.
- <sup>87</sup>For discussions, see ACIR (A-52), pp. 55-56 and 61-89.
- <sup>88</sup>Republican Policy Committee, "House Republican Policy Committee Approves GOP Budget Substitute with Less Spending and Tax Cut," Washington, DC, U.S. House of Representatives, March 31, 1980.
- <sup>89</sup>See William Ricker, *Federalism: Origin, Operation, Significance* Boston, MA., Little Brown & Co., 1964, pp. 129, 1365, and Morton Grodzins, *The American System*, New York, NY, Rand McNally, 1966, p. 254.
- <sup>90</sup>See ACIR (A-31), pp. 203-13.
- <sup>91</sup>Donald H. Haider, *When Governments Come to Washington: Governors, Mayors, and Intergovernmental Lobbying*, New York, NY, The Free Press, 1974.
- <sup>92</sup>See Samuel H. Beer, "Political Overload and Federalism," *Policy* 10, Amherst, MA, Fall 1977, p. 10.
- <sup>93</sup>Rochelle L. Stanfield, "The PIGs: Out of the Sty, Into Lobbying with Style," *National Journal*, Washington, DC, August 14, 1976, p. 1134.
- <sup>94</sup>*Ibid.*, 1139.
- <sup>95</sup>Samuel H. Beer, "The Adoption of General Revenue Sharing: A Case Study in Public Sector Politics," *Public Policy* 24, Cambridge, MA, Spring 1976.
- <sup>96</sup>426 U.S. 833, S Ct 2465 (U.S. S Ct, 1976), 78 LC 33,390.
- <sup>97</sup>\_\_\_F2nd \_\_\_ DC Cir. March 20, 1980, pet. for cert. pend, no 79-1965 (filed June 14, 1980). See summary at 48 LW 2648.
- <sup>98</sup>See Rochelle L. Stanfield, "A New Breed of Mayors With a New View of Washington," *National Journal*, Washington, DC, May 26, 1979, pp. 866-70.
- <sup>99</sup>"National Conference of State Legislatures: Remarks at the Advisory Conference," March 28, 1980, *Weekly Compilation of Presidential Documents*, Washington, DC, U.S. Government Printing Office March 31, 1980.
- <sup>100</sup>Thomas Jefferson, Letter to Richard Price, in *Thomas Jefferson on Democracy*, Saul K. Padover, ed., New York, NY, Mentor Books, 1946, p. 88.
- <sup>101</sup>Neal Peirce, "A Program for Governmental Reform," *San Francisco Examiner*, December 5, 1979.
- <sup>102</sup>In the first decade of this century, 31 states, or two-thirds of the total then, filed petitions for an amendment providing for the direct election of U.S. Senators. Congress took no action on these petitions, but did advance its own amendment.
- <sup>103</sup>C. Herman Pritchett, "Why Risk a Constitutional Convention?," *The Center Magazine*, Santa Barbara, CA, March 1980, p. 19.



# Appendix Tables

Appendix Table A-1

**473 FEDERAL GRANT PROGRAMS, ESTIMATED OBLIGATIONS, RANKED IN  
DESCENDING ORDER OF DOLLAR MAGNITUDE, FY 1980  
(in thousands of dollars)**

- The 19 largest programs account for 80% of the funding.
- The 49 largest programs account for 90% of the funding.

Rank	Program Number	Title	FY1980 Estimated Obligations (descending order)	Cumulative
1	14.156	Lower Income Housing Assistance—dp	\$20,045,328	\$20,045,328
2	13.714	Medical Assistance (Medicaid)—fg	12,616,799	32,662,127
3	20.205	Highway Research, Planning, and Construction—pg, fg	8,400,000	41,062,127
4	17.232	Comprehensive Employment and Training—pg, fg	8,201,207	49,263,334
5	13.808	Public Assistance (Aid to Families with Dependent Children and Aid to Disabled)—fg	7,056,710	56,320,044
6	—	General Revenue Sharing	6,863,000	63,183,044
7	10.551	Food Stamps—dp	6,401,000	69,584,044
8	66.418	Construction Grants, Wastewater Treatment—pg, coop agreements	3,600,000	73,184,044
9	14.218	Community Development Block Grant (CDBG) Entitlement Grants-fg	2,753,838	75,937,882
10	13.428	Grants for Educationally Deprived Children—fg	2,625,594	78,563,476
11	13.642	Social Services (Title XX)—fg	2,475,000	81,038,476
12	10.555	School Lunch—sales, exchange	2,123,100	83,161,576
13	14.146	Public Housing—pg, direct loans	2,082,500	85,244,076
14	17.225	Unemployment Insurance—pg, dp	2,034,600	87,278,676
15	20.500	Urban Mass Transportation, Capital	1,400,000	88,678,676
16	10.418	Rural Water and Waste Disposal—pg, guaranteed loans	965,000	89,643,676
17	14.219	CDBG, Small Cities—pg	939,626	90,583,302
18	20.507	Urban Mass Transportation, Operations	850,000	91,433,302
19	10.550	Surplus Food Distribution—sale, exchange	813,535	92,246,837
20	13.449	Education of Handicapped Children—fg	804,000	93,050,837
21	17.240	Youth Employment and Training—pg, fg, contract	797,974	93,848,811
22	17.207	State Employment Services—fg, services	753,100	94,601,911

80%  
Level

23	10.557	Special Supplemental Food for Women and Children—pg	750,000	95,351,911
24	13.600	Head Start—pg, services	700,000	96,051,911
25	20.102	Airport Development—pg, advisory	550,100	96,602,011
26	17.242	Summer Youth Employment—pg, fg	533,225	97,135,236
27	13.478	Federal Impact School Aid—fg	483,000	97,618,236
28	13.493	Vocational Education, Basic Grants to States—fg	475,096	98,093,332
29	13.624	Rehabilitation Services and Facilities, Basic Grants—fg	417,484	98,510,816
30	17.211	Job Corps—pg, contract	415,700	98,926,516
31	14.158	Public Housing, modernization—pg, loans	409,200	99,335,716
32	14.221	Urban Development Action Grants—pg	400,000	99,735,716
33	49.002	Community Action—pg	381,000	100,116,716
34	13.646	Work Incentives—fg	372,023	100,488,739
35	10.561	State Administration of Food Stamps—fg	362,570	100,581,309
36	15.400	Outdoor Recreation—pg	359,307	101,210,616
37	13.679	Child Support Enforcement—fg, services	333,000	101,543,616
38	13.224	Community Health Centers—pg	319,483	101,863,099
39	16.502	Law Enforcement, Improvement—pg	303,952	102,167,051
40	13.837	Heart Disease Research—pg, rc	293,617	102,460,668
41	13.232	Maternal and Child Health Services—pg, fg	255,300	102,715,968
42	13.635	Nutrition for the Aging—fg	254,546	102,970,514
43	17.235	Community Service Employment, Older Americans—pg, rc	234,800	103,205,314
44	13.395	Cancer Treatment Research—pg, rc	228,851	103,434,165
45	10.553	School Breakfasts, Grants to States—fg, sale, exchange	224,800	103,658,965
46	13.633	Aging Assistance to States—fg	219,470	103,878,435
47	10.550	Child Care, Food—fg, sale, exchange	213,000	104,091,435
48	13.429	Education, Migrant Children—fg	209,000	104,300,435
49	23.003	Appalachian Highway Development—pg	207,000	104,507,435
50	81.042	Weatherization Assistance for Low Income Persons—pg	198,750	104,706,185
51	13.393	Cancer Cause and Prevention—pg, rc	198,312	104,904,497
52	13.571	Local Education Improvement—fg	197,400	105,101,897
53	11.300	Economic Development, Public Works—pg, direct loan	196,005	105,297,902
54	13.295	Community Mental Health Center—pg	194,673	105,492,575
55	20.600	State and Community Highway Safety—fg	194,463	105,687,038
56	14.701	Disaster Assistance—pg, services	193,600	105,880,638
57	10.904	Watershed Protection, Flood Prevention—pg, advisory	190,931	106,071,569
58	17.500	Occupational Safety and Health—pg, services, advisory	179,520	106,251,089
59	13.403	Bilingual Education—pg, fg, rc	173,600	106,424,689
60	17.243	Employment for the Disadvantaged—pg	162,740	106,587,429
61	13.256	Health Maintenance Organizations—pg, direct loans	152,540	106,739,969

90%  
Level

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Program Rank	Number	Title	FY1980	
			Estimated Obligations (Descending Order)	Cumulative
62	13.529	Emergency School Aid for Minority Children—pg	\$150,000	\$106,889,969
63	13.235	Drug Abuse Community Service—pg, contract	147,385	107,037,354
64	13.427	Education for Handicapped Children—fg	143,000	107,180,354
65	13.217	Family Planning—pg	138,885	107,319,239
66	13.525	Emergency School Aid for Minorities, Includes Parents—pg	137,600	107,456,839
67	10.559	Summer Food for Children—fg	135,800	107,592,639
68	17.239	Youth Employment, Community Conservation—pg, fg	134,008	107,726,647
69	13.242	Mental Health Research—pg	119,679	107,846,326
70	13.625	Vocational Rehabilitation for Disabled—fg	113,680	107,960,006
71	13.495	Vocational Education—fg	113,317	108,073,323
72	13.843	Diabetics, Endocrinology, and Metabolism Research—pg, rc	109,317	108,182,640
73	17.241	Youth Incentive Entitlement Pilot—pg	107,100	108,289,740
74	13.294	Health Resource Planning—pg, contract	107,000	108,396,740
75	10.878	Agricultural Experiment Stations—fg	106,038	108,502,778
76	13.863	Cellular and Molecular Disease Research—pg, rc	102,963	108,605,741
77	13.211	Crippled Children's Services—pg, fg	102,100	108,707,841
78	16.501	Law Enforcement, Discretionary Grants—pg	101,875	108,809,716
79	13.396	Cancer Biology Research—pg, rc	101,289	108,911,005
80	13.644	Public Assistance Training (Title XX)—fg	100,825	109,011,830
81	13.400	Adult Education—fg	100,000	109,111,830
82	13.865	Mother and Children Health Research—pg	99,376	109,211,206
83	13.950	Educational Research and Development—pg, contract	98,285	109,309,491
84	13.862	Genetics Research—pg, contracts	95,872	109,405,363
85	13.532	Elementary and Secondary School Minority Aid—pg	95,769	109,501,132
86	17.230	Employment of Seasonal Farmworkers—pg, fg, contract	87,295	109,588,427
87	13.856	Microbiology and Infectious Disease Research—pg, rc	86,773	109,675,200
88	66.426	Water Pollution Control (areawide planning)—pg	83,000	109,758,200
89	15.611	Wildlife Restoration—fg	82,458	109,840,658
90	66.001	Air Pollution Control—pg	80,000	109,920,658
91	17.234	Native American Employment and Training—fg	78,566	109,999,224
92	13.548	State Student Incentive Grants—fg	76,750	110,075,974
93	13.965	Coal Miners Respiratory Impairment Clinics—pg, rc	75,000	110,150,974
94	14.001	Flood Insurance—direct subsidy to individuals	74,000	110,224,974

95	13.864	Human Reproduction Research—pg, contract	72,860	110,297,834
96	13.244	Mental Health Clinical and Service Training—pg	70,663	110,368,497
97	13.839	Blood Diseases and Resources Research—pg, contract	70,537	110,439,034
98	13.838	Lung Diseases Research—pg, rc	70,190	110,509,224
99	13.777	State Health Care Survey Certification—pg, fg	69,645	110,578,869
100	13.852	Neurological Disorders Research—pg, rc	69,086	110,647,955
101	20.308	Local Rail Service—fg	67,000	110,714,955
102	13.268	Disease Control—pg	65,532	110,780,487
103	13.252	Alcoholism Treatment and Rehabilitation—pg, contract	64,572	110,845,059
104	16.516	Juvenile Justice and Delinquency Prevention—fg	63,750	110,908,809
105	13.399	Cancer Control Research—pg, rc	60,284	110,969,093
106	13.433	Economic Opportunity After Preschool, Follow Through—pg, fg, contract	59,000	111,028,093
107	13.855	Immunologic and Allergic Disease Research—pg, rc	58,372	111,086,465
108	47.041	Applied Science and Research—pg, rc	57,400	111,143,865
109	13.464	Library Services and Construction—fg	56,900	111,200,765
110	13.257	Alcohol Abuse—fg	56,800	111,257,565
111	13.645	Child Welfare Services—fg	56,500	111,314,065
112	13.492	Upward Bound, Higher Education—pg	56,000	111,370,065
113	66.438	Construction Management (water pollution control)—fg	56,000	111,426,065
114	13.775	State Medicaid Fraud Control—fg	55,899	111,481,964
115	13.451	Handicapped Personnel Preparation—pg	55,375	111,537,339
116	10.405	Farm Labor Housing—pg, dp	55,000	111,592,339
117	13.651	Vocational Rehabilitation for Supplementary Security Income Recipients—fg	55,000	111,647,339
118	20.505	Urban Mass Transit, Technical Studies—pg	55,000	111,702,339
119	14.506	HUD Project Research and Operation—pg, rc	53,000	111,755,339
120	11.800	Minority Business Development—pg, contract	52,854	111,808,193
121	13.405	Civil Rights Technical Assistance for Schools—grants	52,700	111,860,893
122	13.210	Public Health Services—fg	52,000	111,912,893
123	16.500	Law Enforcement and Comprehensive Planning—pg, fg	51,781	111,964,674
124	13.766	Health Financing Research—pg, rc	51,282	112,015,956
125	23.002	Appalachian Community Development, Supplemental Grant-in-Aid	50,900	112,066,856
126	13.430	Disadvantaged Children Education Aid—fg	50,794	112,117,650
127	13.486	State Educational Agency Needs—fg	50,000	112,167,650
128	13.630	Developmental Disabilities Services—fg	49,880	112,217,530
129	13.846	Arthritis, Bone, and Skin Disease Research—pg, contract	49,374	112,266,904
130	66.419	Water Pollution Control (state and interstate)—fg	48,730	112,315,634

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Title	FY1980	
			Estimated Obligations (Descending Order)	Cumulative
131	13.849	Kidney Diseases, Urology, and Hematology Research—pg, contract	\$47,753	\$112,363,387
132	13.534	Indian Education—fg	47,273	112,410,660
133	13.848	Digestive Diseases and Nutrition Research—pg, contract	46,503	112,457,163
134	13.279	Drug Abuse Research—pg, contract	45,536	112,502,699
135	13.337	Biomedical Research—pg	44,840	112,547,539
136	49.011	Community Economic Development—pg	44,500	112,592,039
137	13.494	Consumer and Homemaking Education—fg	43,432	112,635,471
138	15.411	Historic Preservation—pg	43,100	112,678,571
139	66.451	Solid and Hazardous Waste Management—pg, fg	42,550	112,721,121
140	15.250	Surface Coal Mining, Environmental Protection—pg, dp	41,680	112,762,801
141	13.246	Migrant Health—pg, contracts	41,400	112,804,201
142	13.866	Aging Research—pg	41,199	112,845,400
143	72.001	Foster Grandparents—pg	40,651	112,886,051
144	11.307	Economic Development, Prevent Long-Term Deterioration—pg	40,200	112,926,251
145	14.203	Section 701 Comprehensive Planning—pg	40,000	112,966,251
146	27.012	Intergovernmental Personnel, Indian Tribe Governments—pg, fg	40,000	113,006,251
147	49.014	Emergency Energy Conservation—pg	40,000	113,046,251
148	13.269	Drug Abuse—fg	40,000	113,086,251
149	13.887	Medical Facilities Construction—pg	39,855	113,126,106
150	13.867	Retinal and Choroidal Disease Research—pg	39,466	113,165,572
151	20.504	Mass Transportation Technology—pg, rc	39,350	113,204,922
152	13.394	Cancer Detection and Diagnosis Research—pg, rc	38,118	113,243,040
153	13.431	Education of Children in State Institutions—fg	37,500	113,280,540
154	13.489	Teacher Corps—pg	37,500	113,318,040
155	72.003	VISTA—fg	37,399	113,355,439
156	12.315	Civil Defense Management—pg, rc	37,100	113,392,539
157	13.821	Physiology and Biomedical Engineering Research—pg	37,019	113,429,558
158	11.311	Sudden and Severe Economic Dislocation Needs—pg	37,000	113,466,558
159	13.284	Emergency Medical Services—pg	36,625	113,503,183
160	10.664	Cooperative Forestry Assistance—pg	36,188	113,539,371
161	11.417	Marine Research, Education and Training—pg	35,236	113,574,607
162	13.533	Right to Read—pg	35,000	113,609,607
163	10.560	Child Nutrition, State Expenses—fg	34,867	113,644,474
164	13.612	Native American Self-Sufficiency—pg, contract	33,800	113,078,274

165	10.556	Milk for Children—fg	32,000	113,710,274
166	13.853	Stroke, Nervous System, and Trauma Research—pg	31,855	113,742,129
167	13.859	Pharmacology and Toxicology Research—pg, rc	31,249	113,773,378
168	13.810	Public Assistance Training—fg	31,000	113,804,378
169	13.379	Family Medicine, Graduate Training—pg	30,500	113,834,878
170	13.629	Rehabilitation Training—pg	30,500	113,865,378
171	13.293	State Health Planning—pg	30,000	113,895,378
172	13.634	Aging Services—pg, contract	30,000	113,925,378
173	66.432	State Public Water System Supervision—pg	29,450	113,954,828
174	13.854	Fundamental Neurosciences Research—pg, rc	29,423	113,984,251
175	11.304	Economic Development, Public Works—pg	29,295	114,013,546
176	13.851	Communicative Disorders Research—pg, rc	29,206	114,042,752
177	10.884	Agricultural Research—pg	29,100	114,071,852
178	10.475	Meat and Poultry Inspection—pg	28,581	114,100,433
179	15.605	Fish Restoration—fg	27,817	114,128,250
180	11.421	Coastal Energy Impact—fg	27,750	114,156,000
181	13.627	Rehabilitation Research—pg, rc	27,500	114,183,500
182	11.419	Coastal Zone Management—pg	27,212	114,210,712
183	45.013	Arts Promotion, Challenge Grants—pg	26,900	114,237,612
184	13.103	FDA Research—pg, rc	26,854	114,264,466
185	16.507	Law Enforcement, Research and Development—pg	25,980	114,290,466
186	13.226	Health Services, Research and Development—pg, rc	25,907	114,316,353
187	13.884	General Intern and Pediatric Graduate Education—pg	25,000	114,341,353
188	10.663	Youth Conservation Corps—pg	24,970	114,366,323
189	45.007	Arts Promotion, State—pg, fg, services, counseling	23,900	114,390,223
190	11.550	Public Telecommunications—pg	23,705	114,413,928
191	23.004	Appalachian Health—pg	23,700	114,437,628
192	13.306	Laboratory Animal Sciences and Primate Research—pg, rc	23,631	114,461,259
193	72.002	Retired Senior Volunteer Program—pg	23,214	114,484,473
194	64.015	Veterans State Nursing Home Care—fg	22,529	114,507,002
195	45.129	Humanities Promotion, State—pg	22,500	114,529,502
196	66.500	Environmental Protection Research—pg, coop agreements	20,800	114,550,302
197	10.054	Emergency Conservation, Farmlands—pg	20,000	114,570,302
198	10.554	Equipment for School Food Services—fg	20,000	114,590,302
199	10.564	Nutrition, Education and Training—fg	20,000	114,610,302
200	11.308	Supplemental and Basic Economic Development Funds for State—pg, direct loans	20,000	114,630,302
201	13.443	Handicapped Research, Education, and Demonstration—pg	20,000	114,650,302
202	13.444	Handicapped Research, Early Childhood—pg	20,000	114,670,302

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Program Rank	Number	Title	FY1980	
			Estimated Obligations (Descending Order)	Cumulative
203	13.499	Vocational Education, Special Needs—fg	\$20,000	\$114,690,302
204	13.892	Environmentally Caused Disease Research—pg, rc	19,634	114,709,936
205	13.446	Handicapped Media—pg, dp	19,000	114,728,936
206	13.822	Health Careers Opportunity—pg	19,000	114,747,936
207	23.012	Appalachian, Vocational and Other Education—pg	19,000	114,766,936
208	13.628	Child Abuse and Neglect, Prevention and Treatment—pg, rc	18,928	114,785,864
209	13.871	Vision Research, Sensory and Motor—pg, rc	18,718	114,804,528
210	13.282	Mental Health Research, Pre/Post Doctoral—pg	18,691	114,823,273
211	30.002	Equal Employment Opportunity Commission Enforcement—rc	18,500	114,841,773
212	13.577	Guidance Counseling, Testing in Elementary and Secondary Schools—fg	18,000	114,859,773
213	10.661	Youth Conservation Service Corps—pg	18,000	114,877,773
214	11.305	Economic Development, Planning—pg	17,700	114,895,473
215	66.505	Water Pollution, Research, Demonstration—pg, coop agreement	17,668	114,913,141
216	13.637	Aging, Training Workers—pg, contract	17,000	114,930,141
217	49.015	Summer Youth Recreation—pg	17,000	114,947,141
218	11.302	Economic Development, Planning Organizations—pg	16,780	114,963,921
219	13.570	Libraries and Learning Resources—fg	16,200	114,980,121
220	13.445	Deaf, Blind Centers for Children—pg, contract	16,000	114,996,121
221	13.488	Talent Search, Postsecondary—pg	15,300	115,011,421
222	13.392	Construction of Cancer Research Facilities—pg, contract	15,000	115,026,421
223	13.535	Indian Education—pg	15,000	115,041,421
224	23.008	Appalachian Access Roads—pg	15,000	115,056,421
225	66.435	Water Pollution, Lakes Restoration—pg, coop agreement	15,000	115,071,421
226	61.050	Energy Extension Service—fg	15,000	115,086,421
227	13.273	Alcohol Research—pg, research contract	14,888	115,101,309
228	13.259	Mental Health, Children's Services—pg	14,830	115,116,139
229	13.893	Environmental Disease Research—pg, rc	14,335	115,130,474
230	17.233	Employment and Training Research—pg, contract	14,300	115,144,774
231	16.503	Law Enforcement, Technical Assistance—pg	14,160	115,158,934
232	45.005	Arts Promotion, Music—pg	14,000	115,172,934
233	13.608	Child Welfare, Administration and Research—pg, rc	13,230	115,186,164
234	13.868	Corneal Diseases Research—pg, rc	13,015	115,199,179
235	13.267	Urban Rat Control—pg	13,000	115,212,179



236	13.298	Nurse Practitioner Training—pg	13,000	115,225,179
237	13.416	Teacher Centers, Inservice Training—pg	13,000	115,238,179
238	13.882	Hypertension Treatment—pg	13,000	115,251,179
239	64.014	Veterans State Domiciliary Care—fg	12,301	115,263,480
240	13.290	Community Care for Alcoholism, Uniform Act—pg	12,127	115,275,607
241	12.400	Army National Guard, Construction—pg	12,000	115,287,607
242	23.011	Appalachian Research and Technical Assistant—pg	12,000	115,299,607
243	20.214	Outdoor Advertising Control—pg	11,980	115,311,587
244	13.649	Rehabilitation Services, Expansion—fg	11,775	115,323,362
245	10.882	Higher Education Land Grants—pg	11,500	115,334,862
246	16.518	National Institute for Juvenile Justice and Delinquency Prevention—pg, contract	11,175	115,346,037
247	13.623	Runaway Youth Facilities—pg	11,000	115,357,073
248	45.012	Arts Promotion, Museums—pg	11,000	115,368,073
249	13.923	Institute of Museum Services—pg	10,800	115,378,837
250	13.870	Glaucoma Research—pg, rc	10,717	115,389,554
251	11.303	Economic Development, Technical Assistant—pg, contract	10,500	115,400,054
252	49.010	Older Persons Opportunities—pg, contract	10,500	115,410,554
253	13.266	Poison Prevention, Lead-Base Paint—pg	10,250	115,420,804
254	13.554	Career Education—pg, contract	10,135	115,430,939
255	10.424	Industrial Development in Rural Areas—pg	10,000	115,440,939
256	13.565	Women's Educational Equity—pg, contract	10,000	115,450,939
257	20.103	Airport Planning—pg	10,000	115,460,939
258	23.013	Appalachian Child Development—pg	10,000	115,470,939
259	16.700	Antitrust, State Enforcement—pg	10,000	115,480,939
260	13.406	College Libraries Research—pg	9,975	115,490,914
261	13.530	Educational TV for Minorities—pg	9,858	115,500,772
262	13.450	Handicapped Regional Education Resource Centers—pg, contract	9,750	115,510,522
263	23.010	Appalachian Mine Restoration—pg	9,648	115,520,170
264	23.005	Appalachian Housing—pg, direct loans	9,600	115,529,770
265	13.263	Occupational Safety and Health, Training—pg	9,400	115,539,170
266	45.006	Arts Promotion, Media—pg	9,300	115,548,470
267	10.877	Forestry Research—fg	9,215	115,557,685
268	66.700	Pesticides Enforcement—pg	9,200	115,566,885
269	13.886	Physician Assistant Training—pg	9,100	115,575,985
270	45.104	Humanities Promotion, Media—pg	9,100	115,585,085
271	13.840	Caries Research—pg, rc	9,091	115,594,176
272	13.869	Cataract Research—pg, rc	9,041	115,603,217
273	13.363	Nursing Scholarships—pg	9,000	115,612,217

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

FY1980

Estimated  
Obligations  
(Descending  
Order)

Program Rank Number	Title	Cumulative
274	Arts Promotion, Theater—pg	\$8,600
275	Aging Research—pg, rc	\$115,620,817
276	Humanities Promotion, Museums, Historical—pg	8,500
277	Safe Drinking Water Research—pg, coop agreements	115,629,317
278	Senior Companion Program—pg	8,500
279	Ozarks, Supplement to Grant-in-Aid—pg	115,637,817
280	Craniofacial Anomalies Research—pg, rc	8,220
281	Arts Promotion, Dance—pg	115,646,037
282	Arts Promotion, Expansion Arts—pg	8,135
283	Rehabilitative Research, Prosthetics—rc	115,654,172
284	Drug Abuse, Clinical and Service Related—pg, contract	8,122
285	Periodontal Diseases Research—pg, rc	115,662,294
286	State Underground Water Source Protection—pg, coop agreements	8,106
287	State Economic Development—pg	115,670,400
288	Higher Education Equipment—pg	8,100
289	Arts Promotion, Visual Arts—pg	115,678,500
290	Alcoholism Research Center—pg	8,100
291	Air Pollution Control Research—pg, coop agreements	115,686,600
292	Humanities Promotion, Research Materials—pg	8,005
293	Southwest Border Technical and Planning Assistant—pg, contract	115,694,605
294	Occupational Safety and Health Research—pg	7,978
295	Educational Opportunity Centers—pg	115,702,583
296	Pacific Northwest Technical Assistant—pg, contract	7,835
297	Vocational Education, State Advisory Councils—fg	115,710,418
298	Education, TV and Radio—pg, contract	7,795
299	Mine Health and Safety—pg	115,718,213
300	Social Services, Research and Demonstration—pg, rc	7,750
301	Water Resources Research, Technical Assistance to States—fg	115,725,963
302	Adult Indian Education—pg	7,500
303	State Nursing Home Care for Veterans, Construction—pg	115,733,463
304	Old West, Technical and Planning—pg, contract	7,400
305	Arts Promotion, Opera and Theater (musical)—pg	115,740,863
306	Arts Promotion, Education—pg	7,250
307	Developmental Disabilities—pg	115,748,113
		7,075
		115,755,188
		6,600
		115,761,788
		6,535
		115,768,323
		6,400
		115,774,723
		6,300
		115,781,023
		6,230
		115,787,253
		6,073
		115,793,326
		6,000
		115,799,326
		6,000
		115,805,326
		5,975
		115,811,301
		5,940
		115,817,241
		5,930
		115,823,171
		5,867
		115,829,038
		5,855
		115,834,893
		5,700
		115,840,593
		5,600
		115,846,193
		5,557
		115,851,750

308	23.009	Appalachian Local Development Planning—pg	5,500	115,857,250
309	16.521	Crime Prevention—pg	5,500	115,862,750
310	13.498	Vocational Education Improvement Projects—pg, contract	5,236	115,867,986
311	15.952	Water Resources University Research, Matching Funds—pg	5,200	115,873,186
312	20.004	Boating Safety—pg, fg	5,180	115,878,366
313	13.281	Mental Health Research, Scientist Development—pg	5,171	115,883,537
314	16.601	Correction, Staff Development—pg, services, training	5,028	115,888,565
315	48.002	New England, Technical and Planning Assistance—pg, contract	5,019	115,893,584
316	10.420	Rural Self-Help Housing—pg	5,000	115,898,584
317	10.426	Rural Area Development Planning—pg	5,000	115,903,584
318	11.407	Commercial Fisheries Research—fg	5,000	115,908,584
319	13.381	Health Professions, Financial Distress of Schools—pg	5,000	115,913,584
320	13.568	Education of Severely Handicapped—pg, contract	5,000	115,918,584
321	13.648	Child Welfare Services and Training—pg	5,000	115,923,584
322	13.652	Adoption Practices Improvement—pg, rc	5,000	115,928,584
323	45.111	Humanities Promotion, Higher Education—pg	5,000	115,933,584
324	45.113	Humanities Promotion, Program Development—pg	5,000	115,938,584
325	47.036	Intergovernmental Program, National Science Foundation—pg	5,000	115,943,584
326	16.515	Criminal Justice Systems Development—pg	5,000	115,948,584
327	13.254	Drug Abuse, Demonstrations—pg, contract	4,960	115,953,544
328	45.004	Arts Promotion, Literature—pg	4,900	115,958,444
329	16.509	Criminal Justice Statistics—pg	4,886	115,963,330
330	64.016	Veterans State Hospital—fg	4,871	115,968,201
331	12.310	Radiological Systems Maintenance, Civil Defense—pg, special services	4,750	115,972,951
332	13.275	Drug Abuse, Education—pg, contract	4,705	115,977,656
333	45.127	Humanities Promotion, Elementary and Secondary Education—pg	4,500	115,982,156
334	45.139	Humanities Promotion, Higher Education Development—pg	4,400	115,986,556
335	10.909	Soil and Water Resource Appraisal and Development—pg, technical information	4,309	115,990,865
336	28.003	Coastal Plains Supplement to Federal Grants—pg	4,307	115,995,172
337	45.001	Arts Promotion, Special Projects—pg, training, advisory	4,300	115,999,472
338	63.003	Upper Great Lakes, Supplement to Federal Grants—pg	4,100	116,003,572
339	13.274	Alcohol Clinical Service and Training—pg	4,075	116,007,647
340	13.890	Genetic Disease Testing and Counseling—pg	4,000	116,011,647
341	13.843	Restorative Materials Research, Dental—pg, rc	3,952	116,015,599
342	45.105	Humanities Promotion, General Research—pg	3,900	116,019,499
343	12.321	Civil Defense Readiness—pg	3,827	116,023,326
344	38.003	Four Corners, Supplement to Federal Grants—pg	3,861	116,027,187

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Program Rank	Number	Title	FY1980	
			Estimated Obligations (Descending Order)	Cumulative
345	13.562	Education of Gifted Youth—pg, contract	\$3,780	\$116,030,967
346	15.600	Anadromous Fish Conservation—pg	3,712	116,034,679
347	45.001	Arts Promotion, Architecture—pg	3,700	116,038,379
348	15.950	National Water Research and Development—pg, contract	3,600	116,041,979
349	38.005	Four Corners, Energy Crisis—pg	3,503	116,045,428
350	11.422	Coastal Energy Impact—pg	3,500	116,048,928
351	13.500	Environmental Education—pg	3,500	116,052,428
352	13.812	Public Assistance Payments, Research—pg, rc	3,500	116,055,928
353	39.006	National Historical Publications Records—pg	3,500	116,059,428
354	13.880	Health, Biomedical Science Research, Minorities—pg, rc	3,421	116,062,903
355	13.456	Interlibrary Cooperation—fg	3,337	116,066,240
356	16.513	Law Enforcement Training—pg, contract	3,300	116,069,540
357	13.563	Community Education—pg, contract	3,138	116,072,678
358	13.564	Consumer Education—pg, contract	3,135	116,075,813
359	65.001	Water Resource Planning—fg	3,070	116,078,883
360	13.899	Alcohol Abuse, Prevention, Demonstration—pg	3,059	116,081,942
361	11.420	Estuarine Sanctuaries—pg	3,000	116,084,942
362	13.287	Emergency Medical Services, Training—pg	3,000	116,087,942
363	13.260	Family Planning, Training—pg, rc	3,000	116,090,942
364	13.549	Ethnic Heritage Studies—pg	3,000	116,093,942
365	13.296	Hemophilia Diagnostic Treatment Center—pg	3,000	116,096,942
366	13.585	Education Information Centers—fg	3,000	116,099,942
367	13.420	Alcohol and Drug Abuse Education—pg, contract	3,000	116,102,942
368	13.581	Citizen Education, Cultural—pg, contract	3,000	116,105,942
369	13.632	Developmental Disabilities, University Affiliated—pg	3,000	116,108,942
370	15.612	Endangered Species Conservation—pg	3,000	116,111,942
371	16.517	Juvenile Delinquency, Prevention and Control—pg, contract	3,000	116,114,942
372	10.901	Resource Conservation and Development—pg, advisory, special services	2,943	116,117,885
373	13.844	Pain Control and Behavioral Studies—pg, rc	2,871	116,120,756
374	28.002	Coastal Plains, Technical Development—pg, contract	2,843	116,123,599
375	20.700	Gas Pipeline Safety—fg	2,820	116,126,419
376	13.292	Sudden Infant Death, Information and Counseling—pg	2,802	116,129,221
377	66.507	Toxic Substances Research—pg, coop agreements	2,800	116,132,021

378	48.004	<b>New England Transportation—pg</b>	2,750	116,134,771
379	81.037	<b>Energy Technical, Research, and Development—pg, dp, contract</b>	2,566	116,137,337
380	72.004	<b>University Year for Action Volunteers—pg</b>	2,538	116,139,875
381	10.652	<b>Forestry Research—pg</b>	2,500	116,142,375
382	66.504	<b>Solid Waste Disposal Research—pg, coop agreements</b>	2,500	116,144,875
383	13.560	<b>Regional Education for Deaf or Other Handicapped—pg, contract</b>	2,400	116,147,275
384	45.015	<b>Arts Promotion, Folk Arts—pg</b>	2,400	116,149,675
385	45.131	<b>Humanities Promotion, Special Projects—pg</b>	2,250	116,151,925
386	63.002	<b>Upper Great Lakes, Technical Assistance and Planning—pg, contract</b>	2,250	116,154,175
387	45.138	<b>Humanities Promotion, Higher Education, Pilot Grants—pg</b>	2,000	116,156,175
388	66.502	<b>Pesticides Control Research—pg, coop agreements</b>	2,000	116,158,175
389	38.002	<b>Four Corners, Technical and Planning Assistance—pg, contract</b>	1,970	116,160,145
390	11.424	<b>Coastal Zone Environmental Protection—pg</b>	1,955	116,162,100
391	20.303	<b>Railroad Safety, State Participation—pg</b>	1,940	116,164,040
392	81.040	<b>Energy, Consumer Services—pg</b>	1,940	116,165,980
393	12.319	<b>Civil Defense Readiness—pg</b>	1,934	116,167,914
394	13.237	<b>Mental Health Hospital Improvement—pg</b>	1,900	116,169,814
395	13.561	<b>Education, Metric System—pg, contract</b>	1,840	116,171,654
396	13.558	<b>Bilingual Vocational Training—pg</b>	1,820	116,173,474
397	52.002	<b>Ozarks, Technical and Planning Assistance—pg, contract</b>	1,809	116,175,283
398	10.563	<b>Nutrition Education—pg</b>	1,750	116,177,033
399	72.010	<b>Antipoverty Mini-Grant for Volunteer Programs—pg</b>	1,700	116,178,733
400	75.003	<b>Old West, Supplements to Federal Grants—pg, contract</b>	1,650	116,180,383
401	10.156	<b>Agricultural Marketing Improvement—pg</b>	1,600	116,181,983
402	13.922	<b>Statistical Activities in State Education Agencies—pg</b>	1,550	116,183,533
403	66.800	<b>Toxic Substance Control—pg, coop agreements</b>	1,500	116,185,033
404	13.898	<b>Alcoholism, Demonstration and Evaluation—pg</b>	1,490	116,186,523
405	13.640	<b>Youth Development Research (runaway)—pg, rc</b>	1,470	116,187,993
406	10.879	<b>Rural Development Research—fg</b>	1,440	116,189,433
407	16.602	<b>Corrections Research—pg, research, advisory, services</b>	1,404	116,190,837
408	13.277	<b>Drug Abuse Research, Scientist Development—pg</b>	1,370	116,192,207
409	14.702	<b>State Disaster Preparedness—pg</b>	1,275	116,193,482
410	13.566	<b>Art Education, Elementary and Secondary Schools—pg</b>	1,250	116,194,732
411	16.603	<b>Corrections, Technical Assistance—pg, contract</b>	1,124	116,195,856
412	13.361	<b>Nursing Education Research—pg</b>	1,101	116,196,957
413	45.135	<b>Humanities Promtion, NEH Youth Projects—pg</b>	1,100	116,198,057
414	66.420	<b>Water Pollution, Manpower Development—pg, coop agreements</b>	1,100	116,199,157
415	13.231	<b>Maternal and Child Health Research—pg</b>	1,000	116,200,157
416	13.436	<b>Foreign Language and Area Studies Research—pg, rc</b>	1,000	116,201,157

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

FY1980  
Estimated  
Obligations  
(Descending  
Order) Cumulative

Rank	Program Number	Title	Estimated Obligations (Descending Order)	Cumulative
417	13.452	Handicapped Teacher Recruitment and Information—pg, contract	\$1,000	\$116,202,157
418	13.475	Library Research—pg, contract	1,000	116,203,157
419	13.680	Telecommunications, Social Services—pg, contract	1,000	116,204,157
420	28.008	Coastal Plains Education—pg	1,000	116,205,157
421	45.133	Humanities Promotion, Scientific, Technical, and Human Values—pg	1,000	116,206,157
422	13.271	Alcohol Research, Scientist Development—pg	986	116,207,143
423	13.440	Fulbright-Hays Educational and Cultural Exchange—pg	920	116,208,063
424	13.888	Home Health Services and Training—pg	804	116,208,867
425	76.005	Pacific Northwest Energy Development—pg, contract	800	116,209,667
426	45.123	Humanities Promotion, Consultant Grants—pg	800	116,210,467
427	15.412	Archeological Research—rc	790	116,211,257
428	13.590	Emergency School Aid, Neutral Site Planning—pg	750	116,212,007
429	45.128	Humanities Promotion, Planning and Assessment—pg	750	116,212,757
430	13.586	Bilingual Vocational Instruction—pg	700	116,213,457
431	23.017	Appalachian Special Transportation, Planning, Research and Development—pg	700	116,214,157
432	72.011	State Volunteer Services—pg	700	116,214,857
433	66.453	Solid Waste Management Training—pg, contract	675	116,215,532
434	66.031	Quiet Communities Capacity Building—pg, coop agreements	668	116,216,200
435	16.604	Corrections, Policy Formulation—pg, technical assistance	662	116,216,862
436	13.576	Research Libraries—pg	600	116,217,462
437	13.582	State Student Financial Aid Administration—fg	600	116,218,062
438	11.951	International Travel in the United States—pg	580	116,218,642
439	13.455	Higher Education Academic Facilities—fg	500	116,219,142
440	11.306	Economic Development Districts Operational Assistance—pg	500	116,219,642
441	28.007	Coastal Plains, Health and Nutrition—pg	500	116,220,142
442	48.005	New England Energy Development—pg	500	116,220,642
443	20.503	Urban Mass Transport, Managerial Training—pg	500	116,221,142
444	83.001	Fire Prevention Control, Education—pg	468	116,221,610
445	15.613	Marine Mammals—pg	400	116,222,010
446	45.115	Humanities Promotion, Youth Grants—pg	400	116,222,410
447	45.122	Humanities Promotion, Advanced Studies—pg	400	116,222,810
448	45.134	Humanities Promotion, Research Conferences—pg	355	116,223,165

449	13.238	<b>Mental Health Hospital Staff Development—pg</b>	325	116,223,490
450	52.007	<b>Ozarks, Health and Nutrition—pg</b>	300	116,223,790
451	76.008	<b>Pacific Northwest Educational Development—pg, contract</b>	300	116,224,090
452	75.007	<b>Old West, Health and Nutrition—pg</b>	300	116,224,390
453	13.439	<b>Fulbright-Hays Training Grants, Foreign Studies—pg, services</b>	289	116,224,679
454	13.587	<b>Bilingual Instructional Material, Vocational—pg, contract</b>	280	116,224,959
455	16.514	<b>Organized Crime Prosecutorial Training—pg</b>	259	116,225,218
456	83.002	<b>Fire Incident Reporting—pg</b>	255	116,225,473
457	16.508	<b>Law Enforcement Research and Development, Visiting—pg</b>	250	116,225,723
458	16.605	<b>Corrections Clearinghouse—pg, technical assistance</b>	210	116,225,933
459	52.004	<b>Ozarks, Transportation—pg</b>	200	116,226,133
460	52.005	<b>Ozarks, Energy Development—pg</b>	200	116,226,333
461	66.428	<b>Water Pollution Control, Training Grants—pg, coop agreements</b>	175	116,226,508
462	38.007	<b>Four Corners, Health and Nutrition—pg</b>	150	116,226,658
463	83.003	<b>Public Education Assistance, Fire Prevention and Control—pg</b>	120	116,226,778
464	28.004	<b>Coastal Plains, Transportation—pg</b>	100	116,226,878
465	38.004	<b>Four Corners, Transportation—pg</b>	100	116,226,978
466	28.005	<b>Coastal Plains, Energy Development—pg</b>	100	116,227,078
467	63.004	<b>Upper Great Lakes, Transportation—pg</b>	100	116,227,178
468	76.004	<b>Pacific Northwest, Transportation—pg, contract</b>	100	116,227,278
469	63.005	<b>Upper Great Lakes, Energy Development—pg</b>	100	116,227,378
470	63.008	<b>Upper Great Lakes, Education—pg</b>	100	116,227,478
471	66.429	<b>Water Pollution Control, Technical Training—pg, coop agreements</b>	65	116,227,543
472	12.314	<b>Civil Defense, Staff Training—pg</b>	63	116,227,606
473	63.007	<b>Upper Great Lakes, Health and Nutrition—pg</b>	50	116,227,656

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

SOURCE: Office of Management and Budget, 1979 *Catalog of Federal Domestic Assistance*, Washington, DC, U.S. Government Printing Office, May 1979, and ACIR staff compilations.

Appendix Table A-2

**473 FEDERAL GRANT PROGRAMS, ESTIMATED OBLIGATIONS, CLUSTERED IN  
29 GROUPS, FY 1980**  
(in thousands of dollars)

1. Housing	11. Public Transit	21. Environmental Protection (except water)
2. Medical Assistance	12. Airports	22. Other Transportation
3. Highways	13. Vocational Rehabilitation	23. Libraries
4. Employment and Training	14. Economic Opportunity	24. Volunteer Services
5. Public Assistance	15. Natural Resources Conservation and Development	25. Arts and Humanities
6. General Revenue Sharing	16. Criminal Justice	26. Energy
7. Food and Nutrition	17. Medical Research	27. Rural Development
8. Water Pollution Control	18. Economic Development	28. Fire Protection
9. Community Development	19. Civil Preparedness	29. Miscellaneous
10. Education	20. Occupational Safety and Health	

Program Rank	Program Number	Program Name	FY 1980 Funding
<b>Federal Aid Cluster #1 — Housing</b>			
1	14.156	Lower Income Housing Assistance—dp	\$20,045,328
13	14.146	Public Housing—pg, direct loans	2,082,500
31	14.158	Public Housing, Modernization—pg, loans	409,200
116	10.405	Farm Labor Housing—pg, dp	55,000
264	23.005	Appalachian Housing—pg, direct loans	9,600
316	10.420	Rural Self-Help Housing—pg	5,000
			TOTAL
			\$22,606,628
<b>Federal Aid Cluster #2 — Medical Assistance</b>			
2	13.714	Medical Assistance (Medicaid)—fg	\$12,616,799
38	13.244	Community Health Centers—pg	319,483
41	13.232	Maternal and Child Health Services—pg, fg	255,300
54	13.295	Community Mental Health Centers—pg	194,673
61	13.256	Health Maintenance Organizations—pg, direct loans	152,540
63	13.235	Drug Abuse Community Service—pg, contract	147,385



65	13.217	Family Planning—pg	138,885
74	13.294	Health Resource Planning—pg, contract	107,000
77	13.211	Crippled Children's Services—pg, fg	102,100
93	13.965	Coal Miners' Respiratory Impairment Clinics—pg, rc	75,000
96	13.244	Mental Health Clinical and Service Training—pg	70,663
99	13.777	State Health Care Survey Certification—pg, fg	69,645
102	13.268	Disease Control—pg	65,532
103	13.252	Alcoholism Treatment and Rehabilitation—pg, contract	64,572
110	13.257	Alcohol Abuse—fg	56,800
114	13.775	State Medical Fraud Control—fg	55,899
122	13.210	Public Health Services—fg	52,000
124	13.766	Health Financing Research—pg, rc	51,282
141	13.246	Migrant Health—pg, contracts	41,400
148	13.269	Drug Abuse—fg	40,000
149	13.887	Medical Facilities Construction—pg	39,855
159	13.284	Emergency Medical Services—pg	36,625
169	13.379	Family Medicine, Graduate Training—pg	30,500
171	13.293	State Health Planning—pg	30,000
186	13.226	Health Services, Research and Development—pg, rc	25,907
191	23.004	Appalachian Health—pg	23,700
194	64.015	Veterans State Nursing Home Care—fg	22,529
206	13.822	Health Careers Opportunity—pg	19,000
228	13.259	Mental Health, Children's Services—pg	14,830
236	13.298	Nurse Practitioner Training—pg	13,000
238	13.882	Hypertension Treatment—pg	13,000
240	13.290	Community Care for Alcoholism, Uniform Act—pg	12,127
269	13.886	Physician Assistant Training—pg	9,100
273	13.363	Nursing Scholarships—pg	9,000
284	13.280	Drug Abuse, Clinical and Service Related—pg, contract	7,978
303	64.005	State Nursing Home Care for Veterans, Construction—pg.	5,867
319	13.381	Health Professions, Financial Distress of Schools—pg	5,000
327	13.254	Drug Abuse, Demonstrations—pg, contracts	4,960
330	64.016	Veterans State Hospital—fg	4,871
332	13.275	Drug Abuse, Education—pg, contract	4,705
339	13.274	Alcohol Clinical Service and Training—pg	4,075
340	13.890	Genetic Disease Testing and Counseling—pg	4,000
360	13.899	Alcohol Abuse, Prevention Demonstrations—pg	3,059
362	13.287	Emergency Medical Services, Training—pg	3,000
363	13.260	Family Planning, Training—pg, rc	3,000

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Program Name	FY 1980 Funding
365	13.296	Hemophilia Diagnostic Treatment Center—pg	\$3,000
367	13.420	Alcohol and Drug Abuse Education—pg, contract	3,000
376	13.292	Sudden Infant Death, Information and Counseling—pg	2,802
394	13.237	Mental Health Hospital Improvement—pg	1,900
404	13.898	Alcoholism, Demonstration and Evaluation—pg	1,490
408	13.277	Drug Abuse Research, Scientist Development—pg	1,370
412	13.361	Nursing Education Research—pg	1,101
415	13.231	Maternal and Child Health Research—pg	1,000
422	13.271	Alcohol Research, Scientist Development—pg	986
424	13.888	Home Health Services and Training—pg	804
449	13.238	Mental Health Hospital Staff Development—pg	325

TOTAL \$15,069,424

**Federal Aid Cluster # 3 — Highways**

3	20.205	Highway Research, Planning, and Construction—pg, fg	\$8,400,000
49	23.003	Appalachian Highway Development—pg	207,000
55	20.600	State and Community Highway Safety—fg	194,463
224	23.008	Appalachian Access Roads—pg	15,000
243	20.214	Outdoor Advertising Control—pg	11,980
431	23.017	Appalachian Special Transportation, Planning, Research, and Development—pg	700

TOTAL \$8,829,143

**Federal Aid Cluster #4 — Employment and Training**

4	17.232	Comprehensive Employment and Training—pg, fg	\$8,201,207
14	17.225	Unemployment Insurance—pg, dp	2,034,600
21	17.240	Youth Employment and Training—pg, fg, contract	797,974
22	17.207	State Employment Services—fg, services	753,100
26	17.242	Summer Youth Employment—pg, fg	533,225
30	17.211	Job Corps—pg, contract	415,700
34	13.646	Work Incentives—fg	372,023
43	17.235	Community Service Employment, Older Americans—pg, rc	234,800
60	17.243	Employment for the Disadvantaged—pg	162,740
68	17.239	Youth Employment, Community Conservation—pg, fg	134,008
73	17.241	Youth Incentive Entitlement Pilot—pg	107,100
86	17.230	Employment of Seasonal Farmworkers—pg, fg, contract	87,295

91	17.234	Native American Employment and Training—fg	78,566
188	10.663	Youth Conservation Corps—pg	24,970
211	30.002	Equal Employment Opportunity Commission Enforcement—rc	18,500
213	10.661	Youth Conservation Service Corps—pg	18,000
230	17.233	Employment and Training Research—pg, contract	14,300
252	49.010	Older Persons Opportunities—pg, contract	10,500
			TOTAL
			<b>\$13,998,608</b>

**Federal Aid Cluster #5 — Public Assistance**

5	13.808	Public Assistance (Aid to Families With Dependent Children and Aid to Disabled)—fg	\$7,056,710
11	13.642	Social Services (Title XX)—fg	2,475,000
37	13.679	Child Support Enforcement—fg, services	333,000
46	13.633	Aging Assistance to States—fg	219,470
50	81,042	Weatherization Assistance for Low Income Persons—pg	198,750
80	13.644	Public Assistance Training (Title XX)—fg	100,825
111	13.645	Child Welfare Services—fg	56,500
147	49.014	Emergency Energy Conservation—pg	40,000
164	13.612	Native American Self-Sufficiency—pg, contract	33,800
168	13.810	Public Assistance Training—fg	31,000
172	13.634	Aging Services—pg, contract	30,000
208	13.628	Child Abuse and Neglect, Prevention and Treatment—pg, rc	18,928
216	13.637	Aging, Training Workers—pg, contract	17,000
233	13.608	Child Welfare, Administration and Research—pg, rc	13,230
239	64.014	Veterans State Domiciliary Care—fg	12,301
247	13.623	Runaway Youth Facilities—pg	11,000
275	13.636	Aging Research—pg, rc	8,500
278	12.008	Senior Companion Program—pg	8,135
300	13.647	Social Services, Research and Demonstration—pg, rc	5,975
321	13.648	Child Welfare Services and Training—pg	5,000
322	13.652	Adoption Practices Improvement—pg, rc	5,000
352	13.812	Public Assistance Payments, Research—pg, rc	3,500
399	72.010	Antipoverty Mini-Grants for Volunteer Programs—pg	1,700
405	13.640	Youth Development Research (runaway)—pg, rc	1,470
			TOTAL
			<b>\$10,686,794</b>

**Federal Aid Cluster #6 — General Revenue Sharing**

6	—	General Revenue Sharing	TOTAL	\$6,863,000
			TOTAL	<b>\$6,863,000</b>

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Program Name	FY 1980 Funding
<b>Federal Aid Cluster #7 — Food and Nutrition</b>			
7	10.551	Food Stamps—dp	\$6,401,000
12	10.555	School Lunch—sales, exchange	2,123,100
19	10.550	Surplus Food Distribution—sale, exchange	813,535
23	10.557	Special Supplemental Food for Women and Children—pg	750,000
35	10.561	State Administration of Food Stamps—fg	362,570
42	13.653	Nutrition for the Aging—fg	254,546
45	10.553	School Breakfasts, Grants to States—fg, sale, exchange	224,800
47	10.550	Child Care, Food—fg, sale, exchange	213,000
67	10.559	Summer Food for Children—fg	135,800
163	10.560	Child Nutrition, State Expenses—fg	34,867
165	10.556	Milk for Children—fg	32,000
198	10.554	Equipment for School Food Services—fg	20,000
199	10.564	Nutrition, Education and Training—fg	20,000
398	10.563	Nutrition Education—pg	1,750
<b>TOTAL</b>			<b>\$11,386,968</b>

**Federal Aid Cluster #8 — Water Pollution Control**

8	66.418	Construction Grants, Wastewater Treatment—pg, coop grants	\$3,600,000
16	10.418	Rural Water and Waste Disposal—pg, guaranteed loans	965,000
88	66.426	Water Pollution Control (areawide planning)—pg	83,000
113	66.438	Management of Water Pollution Control Construction—fg	56,000
130	66.419	Water Pollution Control (state and interstate)—fg	48,730
173	66.432	State Public Water System Supervision—pg	29,450
215	66.505	Water Pollution Control, Research and Demonstration—pg, coop agreements	17,668
225	66.435	Water Pollution Control, Lake Restoration—pg, coop agreements	15,000
277	66.506	Safe Drinking Water Research—pg, coop agreements	8,220
286	66.433	State Underground Water Source Protection—pg, coop agreements	7,795
301	15.951	Water Resources Research, Technical Assistance to States—fg	5,940
311	15.952	Water Resources University Research, Matching Funds—pg	5,200
348	15.950	National Water Research and Development—pg, contract	3,600
359	65.001	Water Resources Planning—fg	3,070
414	66.420	Water Pollution, Manpower Development—pg, coop agreements	1,100
461	66.428	Water Pollution Control, Training Grants—pg, coop agreements	175

471	66.429	Water Pollution Control, Technical Training—pg, coop agreements	65
		TOTAL	\$4,850,013

**Federal Aid Cluster #9 — Community Development**

9	14.218	CDBG Entitlement Grants—fg	\$2,753,838
17	14.219	CDBG Small Cities—pg	939,626
32	14.221	Urban Development Action Grants—pg	400,000
94	14.001	Flood Insurance—direct subsidy to individuals	74,000
119	14.506	HUD Project Research and Operation—pg, rc	53,000
125	23.002	Appalachian Community Development, Supplement Grant-in-Aid—pg,	50,900
138	15.411	Historic Preservation—pg	43,100
145	14.203	Section 701 Comprehensive Planning—pg	40,000
308	23.009	Appalachian Local Development Planning—pg	5,500
		TOTAL	\$4,359,964

**Federal Aid Cluster #10 — Education  
Elementary Secondary**

10	13.428	Grants for Educationally Deprived Children—fg	\$2,625,594
20	13.449	Education of Handicapped Children—fg	804,000
24	13.600	Head Start—pg, services	700,000
27	13.478	Federal Impact School Aid—fg	483,000
48	13.429	Education of Migrant Children—fg	209,000
52	13.571	Local Education Improvement—fg	197,400
62	13.529	Emergency School Aid for Minority Children—pg	150,000
64	13.427	Education for Handicapped Children—fg	143,000
66	13.525	Emergency School Aid for Minorities, Includes Parents—pg	137,600
85	13.532	Elementary and Secondary School Minority Aid—pg	95,769
121	13.495	Civil Rights Technical Assistance for Schools—pg	52,700
126	13.430	Disadvantaged Children Education Aid—fg	50,794
128	13.630	Development Disabilities Services—fg	49,880
132	13.534	Indian Education—fg	47,273
153	13.431	Education of Children in State Institutions—fg	37,500
162	13.533	Right to Read—pg	35,000
212	13.577	Guidance Counseling and Testing—fg	18,000
223	13.535	Indian Education—pg	15,000
258	23.013	Appalachian Child Development—pg	10,000
261	13.530	Educational TV for Minorities—pg	9,858

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Program Name	FY 1980 Funding
307	13.631	Development Disabilities—pg	\$5,557
320	13.568	Education of Severely Handicapped—pg, contract	5,000
333	45.127	Humanities Promotion—pg	4,500
345	13.562	Education of Gifted Youth—pg, contract	3,780
383	13.560	Regional Education for Deaf or Other Handicapped—pg, contract	2,400
410	13.566	Art Education—pg	1,250
417	13.452	Handicapped Teacher Recruitment and Information—pg, contract	1,000
420	28.008	Coastal Plains Education—pg	1,000
428	13.590	Emergency School Aid, Neutral Site Planning—pg	750
451	76.008	Pacific Northwest Educational Development—pg, contract	300
470	63.008	Upper Great Lakes, Education—pg	100
SUBTOTAL			<b>\$5,897,005</b>
<b>Higher Education</b>			
81	13.400	Adult Education—fg	\$100,000
92	13.548	State Student Incentive Grants—fg	76,750
112	13.492	Upward Bound—pg	56,000
221	13.488	Talent Search, Postsecondary—pg	15,300
245	10.882	Higher Education Land Grants—pg	11,500
256	13.565	Women's Educational Equity—pg, contract	10,000
288	13.518	Higher Education Equipment—pg	7,500
295	13.543	Educational Opportunity Centers—pg	6,300
302	13.536	Adult Indian Education—pg	5,930
323	45.111	Humanities Promotion—pg	5,000
334	45.139	Humanities Promotion, Development—pg	4,400
387	45.138	Humanities Promotion, Pilot Grants—pg	2,000
395	13.561	Education, Metric System—pg, contract	1,840
423	13.440	Fulbright-Hays Educational and Cultural Exchange—pg	920
437	13.582	State Student Financial Aid Administration—fg	600
439	13.455	Higher Education Academic Facilities—fg	500
453	13.439	Fulbright-Hays Training Grants, Foreign Study—pg, services	289
SUBTOTAL			<b>\$304,829</b>
<b>Vocational</b>			
28	13.493	Vocational Education, Basic Grants to States—fg	\$475,096
71	13.495	Vocational Education—fg	113,317

137	13.494	Consumer and Homemaking Education—fg	43,432
203	13.499	Vocational Education, Special Needs—fg	20,000
207	23.012	Appalachian Vocational and Other Education—pg	19,000
254	13.554	Career Education—pg, contract	10,135
297	13.500	Vocational Education, State Advisory Councils—fg	6,073
298	13.541	Educational TV and Radio—pg, contract	6,000
310	13.498	Vocational Education Improvement Projects—pg, contract	5,236
357	13.563	Community Education—pg, contract	3,138
396	13.558	Bilingual Vocational Training—pg	1,820
430	13.589	Bilingual Vocational Instruction—pg	700
454	13.587	Bilingual Instructional Material, Vocational—pg, contract	280
		<b>SUBTOTAL</b>	<b>\$704,227</b>

**Research**

59	13.403	Bilingual Education—pg, fg, rc	\$173,600
83	13.950	Educational Research and Development—pg, contract	98,285
127	13.486	State Educational Agency Needs—fg	50,000
161	11.417	Marine Research, Education and Training—pg	35,236
262	13.450	Handicapped Regional Education Resource Centers—pg, contract	9,750
364	13.549	Ethnic Heritage Studies—pg	3,000
366	13.585	Education Information Centers—fg	3,000
369	13.632	Developmental Disabilities, University Affiliated—pg	3,000
402	13.992	Statistical Activities in State Education Agencies—pg	1,550
416	13.436	Foreign Language and Area Studies Research—pg, rc	1,000
		<b>SUBTOTAL</b>	<b>\$378,421</b>

**Other Programs**

154	13.489	Teacher Corps—pg	\$37,500
237	13.416	Teacher Centers, Inservice Training—pg	13,000
351	13.500	Environmental Education—pg	3,500
358	13.564	Consumer Education—pg, contract	3,135
368	13.581	Citizen Education, Cultural—pg, contract	3,000
419	13.680	Telecommunications, Social Services—pg	1,000
		<b>SUBTOTAL</b>	<b>\$61,135</b>

**TOTAL (for all education) \$7,345,617**

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Program Name	FY 1980 Funding
<b>Federal Aid Cluster #11 — Public Transit</b>			
15	20.500	Urban Mass Transportation, Capital	\$1,400,000
18	20.507	Urban Mass Transportation, Operations	850,000
118	20.505	Urban Mass Transportation, Technical Studies—pg	55,000
151	20.504	Mass Transportation Technology—pg, rc	39,350
443	20.503	Urban Mass Transportation, Managerial Training—pg	500
		<b>TOTAL</b>	<b>\$2,344,850</b>
<b>Federal Aid Cluster #12 — Airports</b>			
25	20.102	Airport Development—pg, advisory	\$550,100
257	20.103	Airport Planning—pg	10,000
		<b>TOTAL</b>	<b>\$560,000</b>
<b>Federal Aid Cluster #13 — Vocational Rehabilitation</b>			
29	13.624	Rehabilitation Services and Facilities, Basic Grants—fg	\$417,484
70	13.625	Vocational Rehabilitation for Disabled—fg	113,680
115	13.451	Handicapped Personnel Preparation—pg	55,375
117	13.651	Vocational Rehabilitation for Supplemental Security Income Recipients—fg	55,000
170	13.629	Rehabilitation Training—pg	30,500
176	13.851	Communicative Disorders Research—pg, rc	29,206
181	13.627	Rehabilitation Research—pg, rc	27,500
201	13.443	Handicapped Research, Education, and Demonstration—pg	20,000
202	13.444	Handicapped Research, Early Childhood—pg	20,000
205	13.446	Handicapped Media—pg, dp	19,000
209	13.871	Vision Research, Sensory and Motor—pg, rc	18,718
220	13.445	Deaf, Blind Centers for Children—pg, contract	16,000
244	13.649	Rehabilitation Services, Expansion—fg	11,775
283	64.006	Rehabilitation Research, Prosthetics—rc	8,005
		<b>TOTAL</b>	<b>\$842,243</b>
<b>Federal Aid Cluster #14 — Economic Opportunity</b>			
33	49.002	Community Action—pg	\$381,000
106	13.433	Economic Opportunity After Preschool, Follow Through—pg, fg, contract	59,000



120	11.800	Minority Business Development—pg, contract	52,854
136	49.011	Community Economic Development—pg	44,500
217	49.015	Summer Youth Recreation—pg	17,000
TOTAL			\$554,354

**Federal Aid Cluster #15 — Natural Resources Conservation and Development**

36	15.004	Outdoor Recreation—pg	\$359,307
57	10.904	Watershed Protection, Flood Prevention—pg	190,931
75	10.878	Agricultural Experiment Stations—fg	106,038
89	15.611	Wildlife Restoration—fg	82,458
160	10.664	Cooperative Forestry Assistance—pg	36,188
177	10.884	Agricultural Research—pg	29,100
179	15.605	Fish Restoration—fg	27,817
180	11.421	Coastal Energy Impact—fg	27,750
182	11.419	Coastal Zone Management—pg	27,212
197	10.054	Energy Conservation, Farmlands—pg	20,000
267	10.877	Forestry Research—fg	9,215
318	11.407	Commercial Fisheries Research—fg	5,000
335	10.909	Soil and Water Resource Appraisal and Development—pg, technical information	4,309
346	15.600	Anadromous Fish Conservation—pg	3,712
350	11.422	Coastal Energy Impact—pg	3,500
361	11.420	Estuarine Sanctuaries—pg	3,000
370	15.614	Endangered Species Conservation—pg	3,000
372	10.901	Resource Conservation and Development—pg, advisory, special services	2,943
381	10.652	Forestry Research—pg	2,500
401	10.156	Agricultural Marketing Improvement—pg	1,600
445	15.613	Marine Mammals—pg	400
TOTAL			\$945,980

**Federal Aid Cluster #16 — Criminal Justice**

39	16.502	Law Enforcement, Improvement—pg	\$303,952
78	16.501	Law Enforcement, Discretionary Grants—pg	101,875
104	16.516	Juvenile Justice and Delinquency Prevention—fg	63,750
123	16.500	Law Enforcement and Comprehensive Planning—pg, fg	51,781
185	16.507	Law Enforcement, Research and Development—pg	25,980

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Program Name	FY 1980 Funding
231	16.503	Law Enforcement, Technical Assistance—pg	\$14,160
246	16.518	National Institute for Juvenile Justice and Delinquency Prevention—pg, contract	11,175
259	16.700	Antitrust State Enforcement—pg	10,000
309	16.521	Crime Prevention—pg	5,500
314	16.601	Correction, Staff Development—pg	5,028
326	16.515	Criminal Justice Systems Development—pg	5,000
329	16.509	Criminal Justice Statistics—pg	4,886
356	16.513	Law Enforcement Training—pg, contract	3,300
371	16.517	Juvenile Delinquency, Prevention and Control—pg, contract	3,000
407	16.602	Correction Research—pg, rc	1,404
411	16.603	Correction, Technical Assistance—pg, contract	1,124
435	16.604	Correction, Policy Formulation—pg	662
455	16.514	Organized Crime Prosecutorial Training—pg	259
457	16.508	Law Enforcement Research and Development, Visiting—pg	250
458	16.605	Corrections Clearinghouse—pg	210
TOTAL			<b>\$613,296</b>

**Federal Aid Cluster #17 — Medical Research**

40	13.837	Heart Disease Research—pg, rc	\$293,617
44	13.395	Cancer Treatment Research—pg, rc	228,851
51	13.393	Cancer Cause and Prevention—pg, rc	198,312
69	13.242	Mental Health Research—pg	119,679
72	13.843	Diabetes, Endocrinology, and Metabolism Research—pg, rc	109,317
76	13.863	Cellular and Molecular Disease Research—pg, rc	102,963
79	13.396	Cancer Biology Research—pg, rc	101,289
82	13.865	Mother and Children Health Research—pg	99,376
84	13.862	Genetics Research—pg, contracts	95,872
87	13.856	Microbiology and Infectious Disease Research—pg, rc	86,773
95	13.864	Human Reproduction Research—pg, rc	72,860
97	13.839	Blood Diseases and Resources Research—pg, rc	70,537
98	13.838	Lung Diseases Research—pg, rc	70,190
100	13.852	Neurological Disorders Research—pg, rc	69,086
105	13.399	Cancer Control Research—pg, rc	60,284
107	13.855	Immunologic and Allergic Disease Research—pg, rc	58,372

129	13.846	Arthritis, Bone, and Skin Disease Research—pg, rc	49,374
131	13.849	Kidney Diseases, Urology, and Hematology Research—pg, rc	47,753
133	13.848	Digestive Diseases and Nutrition Research—pg, rc	46,503
134	13.279	Drug Abuse Research—pg, rc	45,536
135	13.337	Biomedical Research—pg	44,840
142	13.866	Aging Research—pg	41,199
150	13.867	Retinal and Choroidal Disease Research—pg	39,466
152	13.394	Cancer Detection and Diagnosis Research—pg, rc	38,118
157	13.821	Physiology and Biomedical Engineering Research—pg	37,019
166	13.853	Stroke, Nervous System, and Trauma Research—pg	31,855
167	13.859	Pharmacology and Toxicology Research—pg, rc	31,249
174	13.854	Fundamental Neurosciences Research—pg, rc	29,423
192	13.306	Laboratory Animal Sciences and Primate Research—pg, rc	23,631
204	13.892	Environmentally Caused Disease Research—pg, rc	19,634
210	13.282	Mental Health Research, Pre/Post Doctoral—pg	18,691
222	13.392	Construction of Cancer Research Facilities—pg, contract	15,000
227	13.273	Alcoholism Research—pg, rc	14,888
229	13.893	Environmental Disease Research—pg, rc	14,335
234	13.868	Corneal Disease Research—pg, rc	13,015
250	13.870	Glaucoma Research—pg, rc	10,717
271	13.840	Caries Research—pg, rc	9,091
272	13.869	Cataract Research—pg, rc	9,041
280	13.842	Craniofacial Anomalies Research—pg, rc	8,106
285	13.841	Periodontal Diseases Research—pg, rc	7,835
290	13.891	Alcoholism Research Center—pg	7,250
313	13.281	Mental Health Research, Scientist Development—pg	5,171
341	13.843	Restorative Materials Research, Dental—pg, rc	3,952
354	13.880	Health, Biomedical Science Research, Minorities—pg, rc	3,421
373	13.844	Pain Control and Behavioral Studies—pg, rc	2,871
		<b>TOTAL</b>	<b>\$2,506,362</b>

**Federal Aid Cluster #18 — Economic Development**

53	11.300	Economic Development, Public Works—pg, direct loans	\$196,005
144	11.304	Economic Development, Prevent Long-Term Deterioration—pg	40,200
158	11.311	Sudden and Severe Economic Dislocation Needs—pg	37,000
175	11.304	Economic Development, Public Works—pg	29,295
200	11.308	Supplemental and Basic Economic Development Funds for States—pg, direct loans	20,000

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Program Rank	Program Number	Program Name	FY 1980 Funding
214	11.305	Economic Development, Planning—pg	\$17,700
218	11.302	Economic Development, Planning Organizations—pg	16,780
242	23.011	Appalachian Research and Technical Assistance—pg	12,000
251	11.303	Economic Development, Technical Assistance—pg, contract	10,500
279	52.003	Ozarks, Supplement to Federal Grants—pg, contract	8,122
287	49.013	State Economic Development—pg	7,750
293	79.002	Southwest Border Technical and Planning Assistance—pg, contract	6,535
296	76.002	Pacific Northwest Technical Assistance—pg, contract	6,230
304	75.002	Old West, Technical and Planning Assistance—pg, contract	5,855
315	48.002	New England, Technical and Planning Assistance—pg, contract	5,019
336	28.003	Coastal Plains, Supplement to Federal Grants—pg	4,307
338	63.003	Upper Great Lakes, Supplement to Federal Grants—pg	4,100
344	38.003	Four Corners Supplement to Federal Grants—pg	3,861
374	28.002	Coastal Plains, Technical and Planning Assistance—pg, contract	2,843
386	63.002	Upper Great Lakes, Technical and Planning Assistance—pg, contract	2,250
389	38.002	Four Corners, Technical and Planning Assistance—pg, contract	1,970
397	52.002	Ozarks, Technical and Planning Assistance—pg, contract	1,809
400	75.003	Old West, Supplements to Federal Grants—pg, contract	1,650
440	11.306	Economic Development Districts, Operational Assistance—pg	500
441	28.007	Coastal Plains, Health and Nutrition—pg	500
450	52.007	Ozarks, Health and Nutrition—pg	300
452	75.007	Old West, Health and Nutrition—pg	300
462	38.007	Four Corners, Health and Nutrition—pg	150
473	63.007	Upper Great Lakes, Health and Nutrition—pg	50
TOTAL			\$443,581

#### Federal Cluster #19 — Civil Preparedness

56	14.701	Disaster Assistance—pg	\$193,600
156	12.315	Civil Defense Management—pg, rc	37,100
331	12.301	Radiological Systems Maintenance, Civil Defense—pg, special services	4,750
343	12.321	Civil Defense Readiness—pg	3,827
393	12.319	Civil Defense Readiness—pg	1,934
409	14.702	State Disaster Preparedness—pg	1,275
472	12.314	Civil Defense, Staff Training—pg	63
TOTAL			\$242,549

**Federal Aid Cluster #20 — Occupational Safety and Health**

58	17.500	Occupational Safety and Health—pg, services, advisory	\$179,520
265	13.263	Occupational Safety and Health, Training—pg	9,400
294	13.262	Occupational Safety and Health, Research—pg	6,400
299	17.600	Mine Health and Safety—pg	6,000
			<b>TOTAL</b>
			<b>\$201,320</b>

**Federal Aid Cluster #21 — Environmental Protection (except water)**

90	66.001	Air Pollution Control—pg	\$80,000
139	66.451	Solid and Hazardous Waste Management—pg, fg	42,550
140	15.250	Surface Coal Mining, Environmental Protection—pg, dp	41,680
196	66.500	Environmental Protection Research—pg, coop agreements	20,800
235	13.267	Urban Rat Control—pg	13,000
253	13.266	Poison Prevention, Lead-Base Paint—pg	10,250
263	23.010	Appalachian Mine Restoration—pg	9,648
268	66.700	Pesticides Enforcement—pg	9,200
291	66.501	Air Pollution Control Research—pg, coop agreement	7,075
377	66.507	Toxic Substance Research—pg, coop agreement	2,800
382	66.504	Solid Waste Disposal Research—pg, coop agreement	2,500
388	66.502	Pesticides Control Research—pg, coop agreement	2,000
390	11.424	Coastal Zone Environmental Protection—pg	1,955
403	66.800	Toxic Substance Control—pg, coop agreement	1,500
433	66.453	Solid Waste Management Training—pg, contract	675
434	66.031	Quiet Communities Capacity Building—pg, coop agreement	668
			<b>TOTAL</b>
			<b>\$246,301</b>

**Federal Aid Cluster #22 — Other Transportation**

101	20.308	Local Rail Service—fg	\$67,000
312	20.004	Boating Safety—pg, fg	5,180
375	20.700	Gas Pipeline Safety—fg	2,820
378	48.004	New England Transportation—pg	2,750
391	20.303	Railroad Safety, State Participation—pg	\$1,940
459	52.004	Ozarks, Transportation—pg	200
464	28.004	Coastal Plains, Transportation—pg	100
465	38.004	Four Corners, Transportation—pg	100
467	63.004	Upper Great Lakes, Transportation—pg	100
468	76.004	Pacific Northwest, Transportation—pg, contract	100
			<b>TOTAL</b>
			<b>\$80,290</b>

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Rank	Program Number	Program Name	FY 1980 Funding
<b>Federal Aid Cluster #23 — Libraries</b>			
109	13.464	Library Services and Construction—fg	\$56,900
219	13.570	Libraries and Learning Resources—fg	16,200
260	13.406	College Libraries Research—pg	9,975
355	13.456	Interlibrary Cooperation—fg	3,337
418	13.475	Library Research—pg, contract	1,000
436	13.576	Research Libraries—pg	600
TOTAL			<b>\$88,012</b>

**Federal Aid Cluster #24 — Volunteer Services**

143	72.001	Foster Grandparents—pg	\$40,651
155	72.003	VISTA—fg	37,399
193	72.002	Retired Senior Volunteer Program—pg	23,214
380	72.004	University Year for Action Volunteers—pg	2,538
432	72.011	State Volunteer Services—pg	700
TOTAL			<b>\$104,502</b>

**Federal Aid Cluster #25 — Arts and Humanities**

183	45.013	Arts Promotion, Challenge Grants—pg	\$26,900
189	45.007	Arts Promotion, State—pg, fg, services, counseling	23,900
195	45.129	Humanities Promotion, State—pg	22,500
232	45.005	Arts Promotion, Music—pg	14,000
248	45.012	Arts Promotion, Museums—pg	11,000
249	13.932	Institute of Museum Services—pg	10,800
266	45.006	Arts Promotion, Media—pg	9,300
270	45.104	Humanities Promotion, Media—pg	9,100
274	45.008	Arts Promotion, Theater—pg	8,600
276	45.125	Humanities Promotion, Museums, Historical—pg	8,500
281	45.002	Arts Promotion, Dance—pg	8,100
282	45.010	Arts Promotion, Expansion Arts—pg	8,100
289	45.009	Arts Promotion, Visual Arts—pg	7,400
292	45.126	Humanities Promotion, Research Materials—pg	6,600
305	45.014	Arts Promotion, Opera and Theater (Musical)—pg	5,700
306	45.003	Arts Promotion, Education—pg	5,600

324	45.113	Humanities Promotion, Program Development—pg	5,000
328	45.004	Arts Promotion, Literature—pg	4,900
337	45.001	Arts Promotion, Special Projects—pg, training, advisory	4,300
342	45.105	Humanities Promotion, General Research—pg	3,900
347	45.001	Arts Promotion, Architecture—pg	3,700
384	45.015	Arts Promotion, Folk Arts—pg	2,400
385	45.131	Humanities Promotion, Special Projects—pg	2,250
413	45.135	Humanities Promotion, NEH Youth Projects—pg	1,100
421	45.133	Humanities Promotion, Science, Technology, and Human Values—pg	1,000
426	45.123	Humanities Promotion, Consultant Grants—pg	800
429	45.128	Humanities Promotion, Planning and Assessment—pg	750
446	45.115	Humanities Promotion, Youth Grants—pg	400
447	45.122	Humanities Promotion, Advanced Studies—pg	400
448	45.134	Humanities Promotion, Research Conferences—pg	355
			TOTAL
			<b>\$217,355</b>

**Federal Aid Cluster #26 — Energy**

226	81.050	Energy Extension Service—fg	\$15,000
349	38.005	Four Corners, Energy Crisis—pg	3,503
379	81.037	Energy Technology, Research and Development—pg, dp, contract	2,566
392	81.040	Energy, Consumer Services—pg	1,940
425	76.005	Pacific Northwest, Energy Development—pg, contract	800
442	48.005	New England, Energy Development—pg	500
460	52.005	Ozarks, Energy Development—pg	200
466	28.005	Coastal Plains, Energy Development—pg	100
469	63.005	Upper Great Lakes, Energy Development—pg	100
			TOTAL
			<b>\$24,709</b>

**Federal Aid Cluster #27 — Rural Development**

255	10.424	Industrial Development in Rural Areas—pg	\$10,000
317	10.426	Rural Area Development Planning—pg	5,000
406	10.879	Rural Development Research—fg	1,440
			TOTAL
			<b>\$16,440</b>

**Federal Aid Cluster #28 — Fire Protection**

444	83.001	Fire Prevention Control, Education—pg	\$468
456	83.002	Fire Incident Reporting—pg	255
463	83.003	Public Education Assistance, Fire Prevention and Control	120
			TOTAL
			<b>\$843</b>

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

Program Rank	Program Number	Program Name	FY 1980 Funding
<b>Federal Aid Cluster # 29 — Miscellaneous</b>			
108	47.041	Applied Science and Research—pg, rc	\$57,400
146	27.012	Intergovernmental Personnel, Indian Tribe Governments—pg, fg	40,000
178	10.475	Meat and Poultry Inspection—pg	28,581
184	13.103	FDA Research—pg, rc	26,854
190	11.550	Public Telecommunications—pg	23,705
241	12.400	Army National Guard, Construction—pg	12,000
325	47.036	Intergovernmental Research, National Science Foundation—pg	5,000
353	39.006	National Historic Publications Records—pg	3,500
427	15.412	Archeological Research—rc	790
438	11.951	International Travel in the United States—pg	580
TOTAL			<b>\$198,410</b>
TOTAL FOR ALL CLUSTERS			<b>\$116,227,656</b>

(pg = project grant, fg = formula grant, dp = direct payment, rc = research contract)

SOURCE: Office of Management and Budget, *1979 Catalog of Federal Domestic Assistance*, Washington, DC, U.S. Government Printing Office, May 1979, and ACIR staff compilations.







# COMMISSION MEMBERS

## **Private Citizens**

Abraham D. Beame, ACIR Chairman, New York, New York  
Bill G. King, Alabama  
Mary Eleanor Wall, Illinois

## **Members of the United States Senate**

Lawton Chiles, Florida  
William V. Roth, Jr., Delaware  
James R. Sasser, Tennessee

## **Members of the U.S. House of Representatives**

Clarence J. Brown, Jr., Ohio  
L. H. Fountain, North Carolina  
Charles B. Rangel, New York

## **Officers of the Executive Branch, Federal Government**

Moon Landrieu, Secretary, Department of Housing and Urban Development  
James T. McIntyre, Director, Office of Management and Budget  
G. William Miller, Secretary, Department of the Treasury

## **Governors**

Bruce Babbitt, Arizona  
John N. Dalton, Virginia  
Richard W. Riley, South Carolina  
Richard A. Snelling, Vermont

## **Mayors**

Thomas Bradley, Los Angeles, California  
Richard E. Carver, Peoria, Illinois  
Tom Moody, Columbus, Ohio  
John P. Rousakis, Savannah, Georgia

## **State Legislative Leaders**

Fred E. Anderson, President, Colorado State Senate  
Jason Boe, President, Oregon State Senate  
Leo McCarthy, Speaker, California Assembly

## **Elected County Officials**

William O. Beach, County Executive, Montgomery County, Tennessee  
Lynn G. Cutler, ACIR Vice-Chair, Board of Supervisors, Black Hawk County, Iowa  
Doris W. Dealaman, Freeholder Director, Somerset County, New Jersey

# What is ACIR?

The Advisory Commission on Intergovernmental Relations (ACIR) was created by the Congress in 1959 to monitor the operation of the American federal system and to recommend improvements. ACIR is a permanent national bipartisan body representing the executive and legislative branches of Federal, state, and local government and the public.

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.

Each Commission member serves a two year term and may be reappointed.

As a continuing body, the Commission approaches its work by addressing itself to specific issues and problems, the resolution of which would produce improved cooperation among the levels of government and more effective functioning of the federal system. In addition to dealing with the all important functional and structural relationships among the various governments, the Commission has also extensively studied critical stresses currently being placed on traditional governmental taxing practices. One of the long range efforts of the Commission has been to seek ways to improve Federal, state, and local governmental taxing practices and policies to achieve equitable allocation of resources, increased efficiency in collection and administration, and reduced compliance burdens upon the taxpayers.

Studies undertaken by the Commission have dealt with subjects as diverse as transportation and as specific as state taxation of out-of-state depositors; as wide ranging as substate regionalism to the more specialized issue of local revenue diversification. In selecting items for the work program, the Commission considers the relative importance and urgency of the problem, its manageability from the point of view of finances and staff available to ACIR and the extent to which the Commission can make a fruitful contribution toward the solution of the problem.

After selecting specific intergovernmental issues for investigation, ACIR follows a multistep procedure that assures review and comment by representatives of all points of view, all affected levels of government, technical experts, and interested groups. The Commission then debates each issue and formulates its policy position. Commission findings and recommendations are published and draft bills and executive orders developed to assist in implementing ACIR policies.