CHAPTER 1

New Directions for State and Local Government

CHAPTER SUMMARY

The study of state and local government receives less attention than the study of the national government. But because nonnational governments are involved in our day-to-day lives, they deserve closer attention. State and local governments are poised to lead the country in the 21st century, and they are busy experimenting with new programs and systems to provide public services in an efficient, effective, and equitable manner. Although state and local governments have greater capacity than in the past, they face many challenges in the American system of federalism—a system characterized by conflict and cooperation.

During the 1980s, President Reagan’s efforts to devolve powers to the states and cities were made easier by the presence of competent, energized nonnational governments. The Clinton administration, despite its emphasis on national goals, recognized the increased capabilities of nonnational governments and sought to enhance their roles as laboratories for policy experimentation. The administrations of George W. Bush, a former governor, have been difficult to evaluate. There has been ample evidence of a willingness to continue to devolve some responsibilities, but the Bush administration pushed large national programs like No Child Left Behind, allowed the federal government to take over airport security, and created a large new cabinet level bureaucracy, the Department of Homeland Security. These actions sound more like a Democratic administration but President Bush’s administration has been dominated by international affairs and the war of terrorism. During times of international crisis, it is not unusual to see many domestic issues drop out of the limelight. While the national government has been unwilling to face many of the domestic problems of a complex society, it has, at the same time, struggled with a variety of issues such as mounting national debt and a burgeoning trade imbalance. For their part, the states have displayed a capacity to act on policy matters important to them, in part because they have since the 1980s loosened the reins on local governments and increased financial assistance to them, thus increasing local government’s capacity.

Modernized state constitutions and institutional restructuring have ensured more streamlined and workable state governments. The powers of the executive have been strengthened, and professional administrators increasingly staff state bureaucracies. Reapportioned state legislatures, with added staff and higher salaries, have improved those bodies. The establishment of unified court systems has reformed state judicial systems, employment of administrators, and addition of appropriate layers of courts. State and local governments have learned how to increase their effectiveness in the nation’s capital. Seven major associations of nonnational governments or elected officials are supplemented in their lobbying effort by individual state and large-city liaison offices. Further, associations of various nonnational government professionals contribute to this effort. Besides providing information and advice, these groups ensure that the various subnational jurisdictions learn from one another.
States are expanding their functions even as the national government reduces its responsibilities. Historically, some states have been innovative leaders and others, followers. But as they come to a larger role in policymaking, more states have become policy innovators or look to their neighbors for advice, information, and models. Means for transmitting information are varied, and often it is done on a regional basis where problems are similar. The quickening flow of innovations has also led to increased interjurisdictional cooperation and fostered a climate that has led to regional organizations created to provide areawide solutions. By solving their own problems, nonnational governments protect their power and authority within the federal system.

As they have increased in capability, state and local governments have inevitably come in conflict with the national government. Federal laws and grant requirements impose restrictions on state policy, but states encroach on the national government’s turf, too. Tension has increased in recent years as federally imposed unfunded mandates have provoked state and local government hostility. The federal judiciary sometimes resolves these conflicts, but they may also be aggravated as the federal court rulings lead the national government into areas normally reserved to nonnational governments. Conflicts among states arise out of the tensions associated with increased activism, and the conflicts threaten resurgence of the states. The uneven distribution of natural resources in the states and the bidding wars among states attempting to attract the same businesses and industry are particular focal points for this interjurisdictional conflict.

Three unique characteristics of our 50-state system (diversity, competitiveness, and resiliency) suggest that nonnational governments can become the new heroes of American federalism. Diversity grows out of different fiscal capacities but is tempered by competitiveness in the federal system, because no state can afford to be too far out of line on taxation and expenditures. This competition stabilizes the federal system. Resiliency describes the ability of state governments to survive and to innovate. With the national government distracted by its own problems, the era of unchallenged national dominance of the federal system is no longer likely. But state governments must still meet the challenge of new demands at the same time that they reduce the size and the cost of government. In the process of meeting these challenges, states are conscious of their reputations. States have their own images and symbols, which influence and reflect public perceptions. These provide a way for understanding states and are important to state governments as they attempt to gain and retain public support for their efforts to reshape themselves.

Nonnational governments are moving into the void created as national government seeks to limit its role in many domestic programs, and the “resurgence of the states” continues to increase nonnational governments’ capacity. Although state and local governments have been revitalized, they must still meet the challenges of financial stress and interjurisdictional conflict if they are to be successful in that role in the 21st century. There are many challenges in the new century that will require federal and state cooperation, such as dealing with terrorism.