

Week 13

Where are we now? Get out the map: PA's response to Plunkitt will be to bridge the gap between bureaucracy and democracy by building new organizations. In this process, our hands as managers will be tied by bureaucratic rigidity, vague goals, diffusion of implementation responsibility, penetration of the task environment, limited power over employees, conflicts over how and whether to use information, constant demands for increased productivity for tasks that are not very amenable to such improvements, the ever present pressure to lower taxes while delivering more services, political pressure to make hiring and firing decision for political and ideological reasons, and our limited control over the policy process coupled with our responsibility for policy implementation. We will also face pressure to contract out services with claims that private sector contractors can deliver better quality results for less money. We recognize, however, that competition, rather than privatization, is the real key to reducing price and increasing quality. And we are mindful of the fact that accountability, not just saving money, is a constant concern when contracting out.

Lecture Preface for Chapter 12: Americans have lots of governments. Local governments especially come in many configurations, with special districts and independent authorities proliferating. Relationships among these governments have long been a subject of contention in the United States, beginning with the relationship between the federal government and the states: known as federalism. This relationship has changed considerable over the last 150 years, and it is still a subject of controversy, as you will recall from the video *The Storm*, where confusion over federal, state, and local responsibility during Hurricane Katrina contributed to the many problems of rescue, relief, and recovery. Related problems have plagued states and cities. Recall that cities are the creatures of states; cities and counties are, in other words, created by states, and state legislators are often known to interfere in local affairs, much to the dismay of local politicians. Still, smaller units of government (states, cities) have come to rely on the levels above them for money, through intergovernmental transfers, so while they may complain about interference, they continue to need, and to welcome, the help. Perhaps the most interesting issue in this chapter is the debate over ultralocalism and gargantuan metropolitan government. We are experiencing this debate right now in Miami-Dade County where for many years richer areas of the community have been incorporating into their own cities. Metropolitan Dade County was created in 1957 through a special grant from the state legislature to provide just the sort of regional governance recommended by advocates of gargantuan metropolitanism. However, even back then, and very much today, cities within the county resent interference and often prefer to separate from the large county government so that they can provide their own services at lower cost; that lower cost is often due to the fact that they no longer have to contribute to the county's efforts to redistribute wealth from richer to poorer areas and because, as economically homogeneous areas, they have fewer poor residents and fewer social problems to address. Incorporation, in other words, is our form of ultralocalism. The current controversy involves recently-incorporated cities that no longer wish to pay the "mitigation fee" that the county charges them after allowing them to form their own cities; that fee means that those cities continue to contribute tax revenues to county, which was a way of slowing the tide of incorporation and preventing the wealthier areas of the county from withdrawing their resources from the poorer areas. As an administrator, how would you feel about parts of your city or county withdrawing their resources by forming their own cities? What is the logical conclusion

of such a process to be, at the local, state, and federal levels? Even if those smaller cities are leaner and more efficient in the delivery of services, is it fair for wealthier areas to secede from larger governments? What are the implications for a multi-ethnic, multi-racial, multi-class society?

When we speak of government in this country, we are actually talking about a multitude of governmental units – federal, state, local – with a variety of reserved, enumerated, and implied powers addressing a range of issues, sometimes overlapping, sometimes conflicting. Federalism is the idea that different levels of government – the federal government and the states, in particular – should be concerned with different issues and activities. So, for example, the federal government is in charge of immigration policy (states and cities do not decide who can enter the country) but states are in charge of marriage policy (there is no discussion of marriage in the federal constitution). However, even with these two clear examples, you can see that there may be good reasons for governments at every level to break out of their traditional boundaries: local governments, who nowadays are faced with greater numbers of illegal immigrants in their jurisdictions, would like to take measures to restrict immigration; at the federal level, there is an effort to make gay marriage unconstitutional. In both cases, governments seek to go beyond their traditional spheres of authority. The big themes here, of course, will be the increasing role of the federal government, especially in the area of grants to states and localities, and how controversial that has been. It is important to remember, however, that subdividing government into smaller and smaller units creates its own problems. Although ultralocal government may be, in theory, more responsive to citizens, it also leads to exclusion and fragmentation.

Plunkitt had his own intergovernmental problems: the interference of the state legislature. Recall that he did not want legislators from rural New York districts robbing the wealth of New York City for their own political ends. But New York City was a “creature” of the legislature, as are all cities: state governments have provisions in their constitutions for the creation and governance of cities, though some big cities have “home rule,” which means they can make more of their own decisions.

Chapter Twelve

INTERGOVERNMENTAL ADMINISTRATION

CHAPTER OVERVIEW

The interactions between federal, state, and local governments are discussed. The financial, legal, political, and administrative relationships between all levels and units of government are defined and explained. Particular attention is paid to the evolution of intergovernmental administration and the historical development of fiscal federalism. The chapter concludes with a discussion of the growing importance of metropolitan governance.

CHAPTER OBJECTIVES

1. Explain the unique and different features of local government units, in comparison to state and federal governments.

2. Discuss the use of money to implement and regulate public policy at the state and local levels of government.
3. Understand the mechanisms of fiscal federalism.
4. Describe federalism between the states and between the states and their local government units.
5. Explain governmental fragmentation, consolidation, and the growth of metropolitan governance.

CHAPTER OUTLINE

THE CONSTITUTION AND THE COURTS: SETTING THE RULES

The Constitution: The Functions of Federalism

Separate National and State Identities

Distinct National and State Responsibilities

Integrating Nation and States

The Courts: Necessary and Proper Implied Powers

THE EVOLUTION OF INTERGOVERNMENTAL ADMINISTRATION

The Layer-Cake: Dual Federalism, 1789-1930

The Marble Cake: Cooperative Federalism, 1930-1960

The Pound Cake: Co-Optive Federalism, 1960-1980

The Crumble Cake: Competitive Federalism, 1980-present

Fending for Oneself

Faltering Faith in the Feds

Ambiguities

FISCAL FEDERALISM

A World Turned Upside Down: A Century of Fiscal Change

The Grant-in-Aid: Foundation of Fiscal Federalism

Getting Theirs: Lobbying by Governments

The Purposes of Federal Grants

Federal Categorical Grants

Federal Block Grants

Congress's Categorical Favorite: Fragmentation

A Shaky Helping Hand: The Erratic Federal Role in State and Local Budgets
Down

Up

Down

Up. Way Up

Down

Up, Down, Whatever

A Misleading Rebound

A Real Decline

Fiscal Federalism in the States

Government and Grants: There is No Free Lunch

Money's Managerial Monkey Wrench

Policy Perversities

The Flypaper Effect

Those Rascally Recipients!

REGULATORY FEDERALISM

Ruling Robustly

Washington Rules

The States Regulate

The Mandates Maw

Federal Mandates

State Mandates

The Wreckage of Regulatory Federalism

Unfunded Mandates

Budgetary Burdens

Preempting Power at the Grass Roots

Deregulating Regulatory Federalism?

Washington's Efforts

State Efforts

MONEY, MANDATES, AND WASHINGTON: NOW WHAT?

A Fine Mess

The Capable States

Judging States

Sorting Out Federalism

FEDERALISM AMONG EQUALS: THE STATES

Interstate Cooperation

Interstate Compacts and Commissions

Uniform State Laws

National and Regional Associations

Multistate Legal Actions

Interstate Conflict

INTERGOVERNMENTAL ADMINISTRATION IN THE STATES

Creatures of the State

The Insidious Introduction of Home Rule

A Steadier Helping Hand

A Slow Centralization of State Power

INTERGOVERNMENTAL ADMINISTRATION AMONG LOCAL GOVERNMENTS

Recurring Regionalism

Washington and Regional Governance

The Great Washington Walk-Away

Privatizing Regional Governance

Local Collaboration and Service Delivery

Intergovernmental Service Contracts

Joint Service Agreements

Intergovernmental Service Transfers

Why Communities Collaborate: Governments Who Like Governments . . .

Consolidating and Centralizing Local Services

A LOAD OF LOCAL GOVERNMENTS: DEFINITIONS, SCOPE, SERVICES, REVENUE

SOURCES, GOVERNMENT, AND FORMS OF GOVERNMENT FOR COUNTIES,

MUNICIPALITIES, TOWNSHIPS, SCHOOL DISTRICTS, AND SPECIAL DISTRICTS (case study)

Counties

Definition

Scope

Services

Revenue Sources

Government

Forms of County Government

Municipalities

Definition

Scope

Services

Revenue Sources

Government

Forms of Municipal Government

Towns and Townships

Definition

Scope

Services

Revenue Sources

Government

Forms of Township Government

School Districts

Definition

Scope

Services

Revenue Sources

Government

Special Districts

Definition

Scope

Services

Revenue Sources

Government

PLACE, PEOPLE, AND POWER: THE PUZZLE OF METROPOLITAN GOVERNANCE

Municipal Growth and Metropolitan Health

Urban Hemorrhaging

Urban Elasticity

Metro Governance I: Ultralocalism, the Quest for Urban Efficiency

Ultralocalism: The Theory

Ultralocalism: The Practice

Issues with Ultralocalism

Ultralocalism as Confusion and Irresponsibility

Ultralocalism as Inequity

Metro Governance II: Gargantua, the Quest for Urban Equity

A Gargantuan Reform

The Grail of Gargantua

Moving Mincingly Toward Metro

City-County Consolidation

Municipal Annexation

KEY CONCEPTS/TERMS

intergovernmental relations
federalism
intergovernmental administration
intergovernmental management
dual federalism
layer cake federalism
cooperative federalism
marble cake federalism
co-optive federalism
pound cake federalism
competitive federalism
crumble cake federalism
fend-for-yourself federalism
devolution revolution
fiscal federalism
grant-in-aid
categorical grant
project grants
discretionary grants
formula grants
formula/project grants
block grants
grants for payments to individuals
flypaper effect
regulatory federalism
mandate
crosscutting requirements
partial preemptions
crossover sanctions
direct orders
unfunded mandate
policy scope
interstate cooperation
interstate compact
uniform state laws
multistate legal actions
severance tax
Dillon's Rule
home rule
structural home rule
interlocal service arrangements
intergovernmental service contract
joint service agreement
intergovernment service transfer

counties
municipalities
townships
school districts
special districts
metropolitan areas
elasticity
ultralocalism
governmental fragmentation
governmental decentralization
governmental differentiation
metropolitan organization
gargantua
centralized government
centrism
regional government
regionalism
metropolitan government
city-county consolidation
municipal annexation