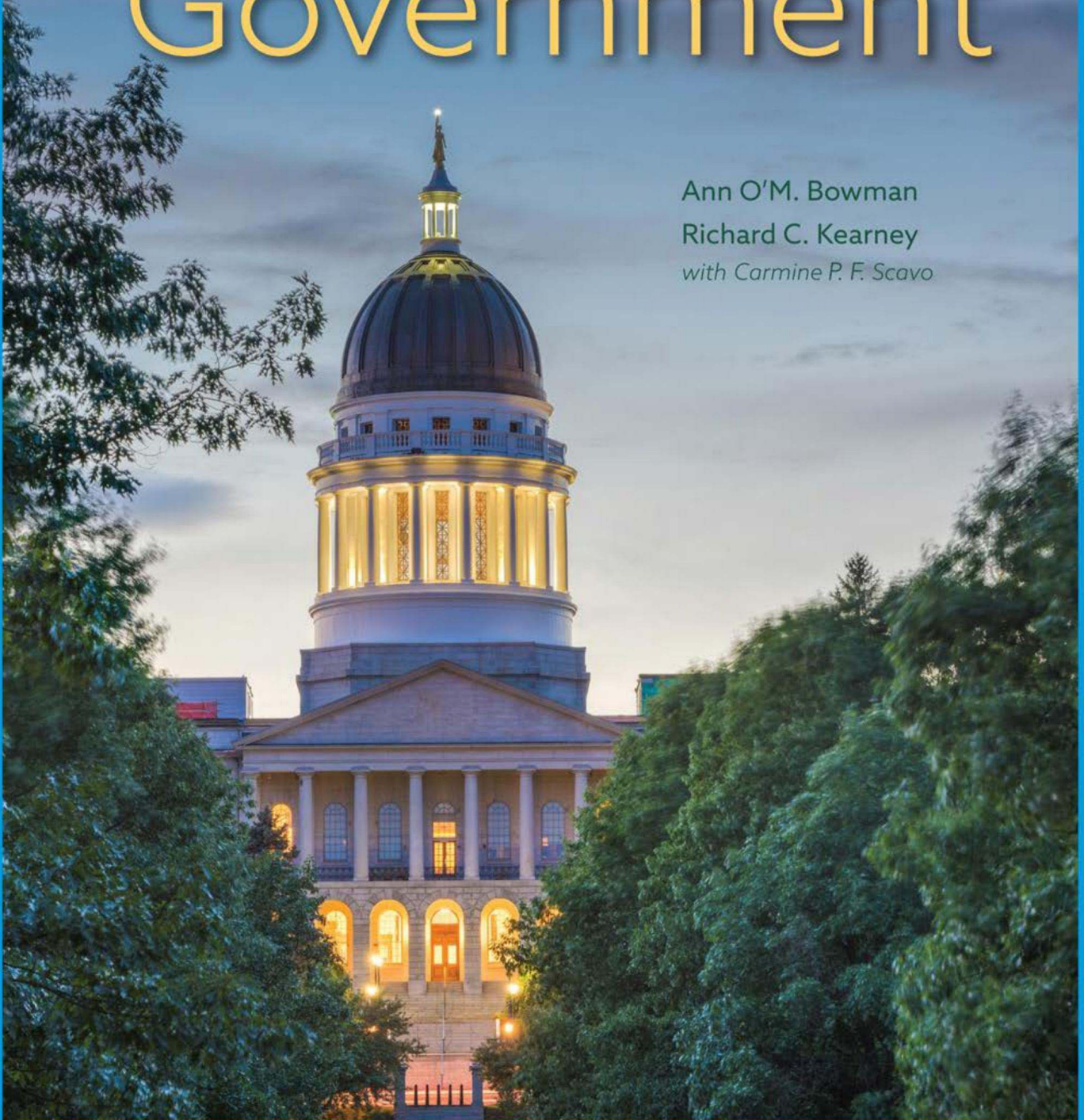


# State and Local Government

Ann O'M. Bowman  
Richard C. Kearney  
*with Carmine P. F. Scavo*



Eleventh Edition

# State and Local Government

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**Eleventh Edition**  
**Ann O'M. Bowman**  
**Richard C. Kearney**  
**with Carmine P. F. Scavo**

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# Preface

If someone had told us in 1990 that the first edition of *State and Local Government* would become what is now widely recognized as “the market leader” and followed eventually by an eleventh edition, we would have been doubtful. That first edition broke the mold of traditional state and local government texts by offering a positive, thematic approach to introducing government at the grass roots. We were gratified and delighted when the book quickly built up adoptions in research universities, four-year colleges, and community colleges across the United States. There are quite a few rival texts today, but we like to think that the competition makes ours better. We heartily thank our colleagues in the State Politics and Policy section and the Urban Politics section of the American Political Science Association for their ideas and comments on various editions of this book. And we thank as well, researchers too numerous to mention individually, for their insightful analyses that are published in scholarly journals and inform our latest edition.

When the preparations began on the eleventh edition of this book, the COVID-19 pandemic was just a speck on the horizon. Work proceeded as the virus’s threat to state and local government grew. Hospitals were crowded with patients, schools closed, businesses suspended operations, tax revenue fell, public works projects were delayed—the list of effects goes on and on. In short, demand for public services increased dramatically but resources to meet those needs fell just as dramatically. At first it looked like the Great Recession all over again, but then things grew even worse. Unemployment in late spring 2020 rivaled rates in the Great Depression of the mid-1930s. By the summer of 2020, state legislatures, city councils, county commissions, local school boards and all other governmental bodies were beginning to cope with the fiscal impacts of the pandemic. But other issues are just as complicated as the fiscal ones. How could the 2020 elections be held so that public health was not endangered by in-person voting? How long could businesses be required to stay closed before permanent damage to the national economy occurred? How should state and local government enforce closure regulations against businesses that insist on remaining open? How can state legislature or city council or county commission sessions occur online if laws require in-person votes? Can state and local governments require individuals to wear masks in public or is this a civil liberties violation? How can schools operate effectively while maintaining social distancing and public health?

Despite the drumbeat of criticism of government and public officials in the mass media and by anti-government talk-show hosts, we like politics and public service, particularly at the state and local levels. We believe that government can be—and often is—a force for good in society. We do acknowledge some of the concerns voiced by critics of government. Yes, there continue to be inefficiencies; and sure, there are some politicians who, once elected, seem

to forget the interests of the people back home, not to mention what their parents taught them. But by and large, state and local governments work well. On a daily basis, they tackle some of the toughest issues imaginable, designing and implementing creative and successful solutions to problems ranging from crime and corrections to education and the environment. And they do so with a remarkable diversity of approaches.

In the eleventh edition of our text, we again seek to capture the immediacy and vitality of state and local governments as they address the challenges facing the American people. A major goal is to foster continuing student interest and involvement in state and local politics, policy, and public service. Many of the students who read this text will work in state and local government. Some will run successfully for public office. All will deal with state and local governments throughout their lives. We want our readers to know that state and local governments are places where one person can still “do good,” make a difference, and serve a cause. For students who go on to graduate study in political science, public administration, public policy, or related fields, states and localities are fertile fields for research. And for students taking this course because they “have to” and who purport to dislike politics and government, we invite them to keep an open mind as they explore the fascinating world of politics at the grass roots.

## The Theme of *State and Local Government*

This book revolves around a central theme: the growing capacity and responsiveness of state and local government. Our theme is being sorely tested by the COVID-19 pandemic, but not found to be wanting. Despite their many challenges, state and local governments continue to be proactive, expanding their capacity to address effectively the myriad problems confronting their citizens. From Alabama to Wyoming, they are responsive to their rapidly changing environment and to the demands of the citizens.

Our confidence in these governments does not blind us, however, to the varying capabilities of the 50 states and some 90,000 units of local government. Some are better equipped to operate effectively than others. Many state and local governments benefit from talented leadership, a problem-solving focus, and an engaged citizenry. Others do not fare so well, and their performance disappoints. Rank partisanship divides many states as they become increasingly “Red” or “Blue.” Still, as a group, states and localities are the driving forces—the prime movers—in the U.S. federal system. Even those jurisdictions perennially clustered at the lower end of various ratings scales have made quantum leaps in their capability and responsiveness.

## Features of the Text

The themes of *State and Local Government* are supplemented by boxed features that provide compelling examples of nonnational governments in action. The boxes labeled “Controversies in States and Localities” highlight issues that may cause a jurisdiction to venture out on a limb, trying something new. The It’s Your Turn boxes, which are new to this edition, present students with two sides to an issue and ask them to consider their own position.

The **Controversies in States and Localities** features are intended to generate debate and discussion among students. For example, state government responses to the COVID-19 crisis are featured in Chapter 2, participatory budgeting in Vallejo, California, is explored in Chapter 4, and the effort to get more third parties on state ballots is covered in Chapter 5. Utah’s innovative website that engaged citizens in redrawing legislative districts is the focus in Chapter 6, governors with primarily private sector experience are examined in Chapter 7, and the proposal to split California into several states is the subject of Chapter 12’s Controversies box. Chapter 16 looks at the issue of prison privatization, and mandatory drug testing for welfare applicants is considered in Chapter 17. Each of the Controversies in States and Localities now concludes with a series of critical thinking questions.

The **It’s Your Turn** boxes engage students more directly, by asking them to take a side in a controversial issue. These issues include whether Washington D.C., should become the 51st state, whether state legislatures should be more professionalized, and whether a state should bail out its financially stressed local governments. Other It’s Your Turn boxes ask students to consider the arguments for and against state governments providing tax incentives to the film industry for filming in their state, cities enacting plastic bag bans, states enforcing strict voter ID laws, and states legalizing marijuana.

Sincere effort has been invested in making this book accessible to the student. Each chapter opens with a series of **Learning Objectives** and closes with a **Chapter Recap** to help structure student learning. The Learning Objectives are also called out within each chapter, to help students make the connection between each learning objective and chapter content. We have included updated photographs to provide visual images that bring the world of state and local government to life for the reader. Maps, tables, and figures offer an engaging format to assist in the identification of patterns and trends in the data. Many of these graphics are new to or updated for the eleventh edition. As noted, boxes throughout the chapters showcase the innovative, the unusual, and the insightful in state and local politics. Lists of states appear in each chapter and facilitate comparisons across the states. **Key Terms** are bold-faced, defined in the margins, and listed at the end of each chapter. References to websites in the end-of-chapter list of **Internet Resources** encourage student curiosity, engagement, and individual research.

## The Content of the Eleventh Edition

As in the first 10 editions, this book provides thorough and completely updated coverage of state and local institutions, processes, and policies. The chapters blend the findings from the latest political science and public policy research with issues and events from the real world. It is intended to be a core text.

In Chapter 1, we introduce the functions of nonnational governments and explore the theme of capacity and responsiveness. The growing diversity in the United States and the contemporary controversy dubbed “culture wars” are featured in the chapter. Federalism’s central importance is highlighted in Chapter 2, which traces the twists and turns of the federal system, from the scribblings of the Framers to the Supreme Court’s latest pronouncements on

the Tenth and Eleventh amendments. The fundamental legal underpinnings of state governments—their constitutions—are discussed in Chapter 3. Chapter 4 explores citizen participation and elections (including the 2014 elections), focusing on the increased access of citizens and the expectations they have for government. Chapter 5, “Political Parties, Interest Groups, and Campaigns,” gets at subnational politics—the fascinating real world of candidates, lobbyists, organizations, and money.

Coverage of the three branches of government—legislative, executive, and judicial—is updated and reflects the institutional changes each branch has undergone recently. The intent of Chapter 6 is to show how legislatures actually work. In addition, responses of state legislatures to the institutional challenge posed by term limits are explored. Governors are featured in Chapter 7, including those who have misbehaved in various ways, and the issue of gubernatorial power is emphasized. Chapter 8, “Public Administration: Budgeting and Service Delivery,” offers updated coverage of privatization as a strategy for improving government and the delivery of public services, as well as new material on e-government and budget transparency. In Chapter 9, the policy-making role of judges, judicial federalism, judicial accountability, and judicial selection mechanisms are emphasized.

Local governments are not treated as afterthoughts in this book. Two chapters focus solely on localities: Chapter 10 is devoted to the multiple types and structures of local government and Chapter 11 to leadership and governance, including new leadership approaches of mayors and city councils. Subsequent chapters consider localities within the context of the states: Chapter 12 focuses on the political and practical issues linking the two levels—and the resultant tensions between them—and Chapter 13 emphasizes the growing interdependence of state and local financial systems. Chapter 12 specifically tackles the issue of land use and urban sprawl, including New Urbanism approaches. Chapter 13 offers a comprehensive synthesis of the principles and political economy of taxation and spending and an overview of the strategies used by state and local governments to cope with the aforementioned economic crash.

Five policy chapters illustrate the diverse postures of state and local governments in responding to change and citizen demands. The roles of states and localities are different in each policy area. Chapter 14 examines economic development initiatives in the context of interstate and interregional competition for jobs and business. Chapter 15 focuses on the ever-important topic of public education; it includes examples of many of the most recent education reform efforts, including school choice plans, No Child Left Behind, homeschooling, and charter schools. Criminal justice policy is the subject of Chapter 16. Crime statistics have been updated, as have some of the newest initiatives for community policing, law enforcement technology, and criminal data applications. Social welfare and health care policy are featured in Chapter 17. Welfare traps are identified, state programs aimed at plugging the gaping holes in the national health system are examined, and the effects of the Affordable Care Act (“Obamacare”) are explained. Finally, Chapter 18 covers a wide range of environmental topics such as sustainability, waste management, hydraulic fracturing, and global climate change. Of special interest are some of the success stories in “greening” states and localities.

## Resources for Instructors

Instructor Companion Web Site for *State and Local Government*, 11e  
ISBN: 9780357367414

This Instructor Companion Website is an all-in-one multimedia online resource for class preparation, presentation, and testing. Accessible through [Cengage.com/login](http://Cengage.com/login) with your faculty account, you will find available for download: book-specific Microsoft® PowerPoint® presentations; a Test Bank compatible with multiple learning management systems; and an Instructor Manual.

The Test Bank, offered in Blackboard, Moodle, Desire2Learn, Canvas, and Respondus formats, contains Learning Objective-specific multiple-choice, true/false, and essay questions for each chapter. Import the test bank into your learning management system to edit and manage questions and to create tests.

The Instructor's Manual contains chapter-specific learning objectives, an outline, key terms with definitions, and a chapter summary. Additionally, the Instructor's Manual features a critical thinking question, a lecture launching suggestion, and an in-class activity for each learning objective.

The Microsoft PowerPoint presentations are ready-to-use, visual outlines of each chapter. These presentations are easily customized for your lectures. Access the Instructor Companion Website at [www.cengage.com/login](http://www.cengage.com/login).

IAC Cognero for *State and Local Government*, 11e ISBN: 9780357367452

Cengage Learning Testing Powered by Cognero® is a flexible online system that allows you to author, edit, and manage test bank content from multiple Cengage Learning solutions, create multiple test versions in an instant and deliver tests from your LMS, your classroom, or wherever you want. The test bank for *State and Local Government*, 11e contains Learning Objective-specific multiple-choice, true/false, and essay questions for each chapter.

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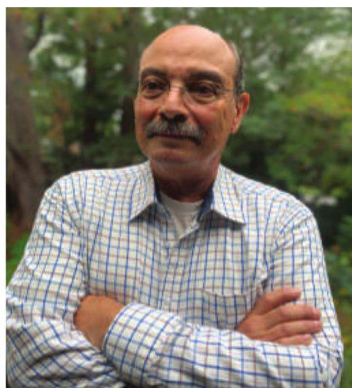
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# 1

## State and Local Governments: New Directions



North Dakota Governor Doug Burgum delivers his 2019 State of the State address.

### Learning Objectives

- LO I-1** To recognize the importance of state and local governments in contemporary America.
- LO I-2** To identify ways in which states and localities have increased their capacity.
- LO I-3** To recognize the challenges that states and localities confront on a daily basis.
- LO I-4** To recognize how changing public attitudes influence government behavior.
- LO I-5** To understand the changing demographic landscape in the United States.

With appropriate oratorical flourishes, the governor of North Dakota, Doug Burgum, delivered his 2019 State of the State message to the people of the Peace Garden State. Although parts of the speech were specific to North Dakota—references to the Fargo-Moorhead Area Diversion Project and the planned Theodore Roosevelt Presidential Library, for example—many of the themes resonated beyond the state’s borders. Fiscal health, job creation, and educational improvement were topics in countless gubernatorial addresses throughout the country. Governor Burgum’s tone was upbeat and determined as he referenced both North Dakota’s past and its future: “This Sunday, January 6th, marks the 100th anniversary of the passing of Theodore Roosevelt. By immersing himself in the rugged, beautiful and untamed Badlands, he transformed himself into a bold and fearless leader—whose later actions transformed our nation and the

AP Images/Tom Stromme/The Bismarck Tribune

world. As we stand at the cusp of this new era, let us seize this opportunity for North Dakota to transform our image of ourselves—to reach beyond any doubts and self-imposed limitations. Now is the time to dream bold dreams—to build those dreams—and to create lasting legacies.”<sup>1</sup>

Spirited exhortations such as these were echoed in one state capitol after another in 2019, 2020, and 2021. In North Dakota and elsewhere, state and local governments are indeed tackling difficult problems and seeking innovative solutions to contemporary issues.

### LO 1-1

To recognize the importance of state and local governments in contemporary America.

## Studying State and Local Governments in the Twenty-First Century

The study of state and local governments has typically received short shrift in the survey of U.S. politics.<sup>2</sup> Scholars and journalists tend to focus on glamorous imperial presidents, a rancorous and gridlocked Congress, an independent and powerful Supreme Court, and the interactions of the three branches of national government in issues such as impeachment of a president. National and international issues capture the lion’s share of media attention. Yet, state and local politics are fascinating precisely because they are up close and personal. True, a governor seldom gets involved in an international peace conference, and state legislatures rarely debate the global narcotics trade. But the actors and institutions of states and localities are directly involved in our day-to-day lives. Education, job growth, climate change, health care, and crime are among the many concerns of state and local governments. And these issues affect all of us. Table 1.1 provides a sample of new state laws that took effect in 2020, laws that touch our daily lives.

## From Sewers to Science: The Functions of State and Local Governments

State and local governments are busy. They exist, in large measure, to make policy for and provide services to the public. This is no easy task. Nonnational governments must perform efficiently, effectively, and fairly; and they must do so with limited financial resources. An efficient government is one that maximizes the output (services) from a given input (resources). A government operates effectively if it accomplishes what it sets out to do. Another expectation is that government function fairly—that its services be delivered in an equitable manner. It is no wonder, then, that state and local governments constantly experiment with new programs and new systems for producing services, all the while seeking efficiency, effectiveness, and fairness. For instance, the recent massive restructuring of the Arkansas state government was intended, according to the governor, to set “Arkansas on the right course to better serve her citizens.”<sup>3</sup> The quest for better functioning government never ends. A 2011 report found



**Table 1.1** A Sample of New State Laws That Took Effect in 2020

STATE	DESCRIPTION OF THE LAW
<b>Arizona</b>	Mandates training for sixth- through twelfth-grade teachers on spotting the signs of student suicidal behavior.
<b>California</b>	Makes it illegal to discriminate in the workplace and schools based on an individual's natural hairstyle or hair texture. Protected hairstyles include Afros, braids, twists, cornrows, and dreadlocks.
<b>Illinois</b>	Legalizes sale and use of recreational marijuana for people 21 and older, making Illinois the eleventh state to do so.
<b>Massachusetts</b>	Automatically registers to vote an eligible resident when they get a driver's license or health insurance in the state.
<b>New York</b>	Allows state residents who were adopted to have unrestricted access to their birth certificates once they turn 18.
<b>North Carolina</b>	Creates a new felony—Death by Distribution—that targets drug dealers who contribute to a user's overdose death.
<b>Ohio</b>	Requires the teaching of cursive writing in first grade through fifth.
<b>Oregon</b>	Allows bicyclists to slow down rather than come to a complete stop at stop signs and traffic signals.
<b>Texas</b>	Requires employees of higher education institutions to report to university authorities sexual harassment, sexual assault, stalking, and date rape incidents committed against an employee or student.
<b>Washington</b>	Requires children to ride in booster seats in cars until they are at least four feet, nine inches tall. When practical, children must ride in the back seat until age 13.

Sources: Associated Press, "These New Laws Are Taking Effect in North Carolina," *Spectrum News*, [www.spectrumlocalnews.com/nc/charlotte/news/2019/11/30/-raise-the-age--juvenile-initiative-in-nc-begins-in-december](http://www.spectrumlocalnews.com/nc/charlotte/news/2019/11/30/-raise-the-age--juvenile-initiative-in-nc-begins-in-december) (December 1, 2019); Jon Campbell, "New Laws for New York in 2020: Boating Safety, Farmworker Rights, Minimum Wage and More," *Democrat & Chronicle*, [www.democratandchronicle.com/story/news/politics/albany/2019/12/26/new-laws-ny-2020-cash-bail-reform-farmworker-rights-birth-certificate/2736813001/](http://www.democratandchronicle.com/story/news/politics/albany/2019/12/26/new-laws-ny-2020-cash-bail-reform-farmworker-rights-birth-certificate/2736813001/) (December 26, 2019); KHOU Staff, "These Are New Texas Laws Going into Effect This Week That You Need to Know About," [www.khou.com/article/news/local/texas/new-texas-laws-january-1/285-e9606fd0-9541-41f4-b070-c7904ba401bd](http://www.khou.com/article/news/local/texas/new-texas-laws-january-1/285-e9606fd0-9541-41f4-b070-c7904ba401bd) (January 3, 2020); Erin Robinson, "New Car Seat Laws Coming to Washington State in 2020," [www.kxly.com/new-car-seat-laws-coming-to-washington-state-in-2020/](http://www.kxly.com/new-car-seat-laws-coming-to-washington-state-in-2020/) (December 24, 2019); Erica Stapleton, "Here Are Some Arizona Laws Taking Effect in 2020," [www.12news.com/article/news/politics/here-are-some-arizona-laws-taking-effect-in-2020/75-6cee8394-e2c0-46d7-8587-800d11bee54c](http://www.12news.com/article/news/politics/here-are-some-arizona-laws-taking-effect-in-2020/75-6cee8394-e2c0-46d7-8587-800d11bee54c) (December 21, 2019); Matt Stout, "A Look at the New Mass. Laws that Will Affect You in 2020," *Boston Globe*, [www.bostonglobe.com/metro/2020/01/01/new-year-brings-slightly-higher-wages-and-lower-taxes/sTHu9L7D73aSxs6K7WrTRO/story.html](http://www.bostonglobe.com/metro/2020/01/01/new-year-brings-slightly-higher-wages-and-lower-taxes/sTHu9L7D73aSxs6K7WrTRO/story.html) (January 1, 2020); Lorraine Swanson, "25 New Illinois Laws in 2020 That Could Impact Your Life," [patch.com/illinois/across-il/25-new-illinois-laws-2020-could-change-your-life](http://patch.com/illinois/across-il/25-new-illinois-laws-2020-could-change-your-life) (January 2, 2020); Brandon Urey, "2020 Oregon Laws: Bicycle Stops and Plastic Bags," [www.corvallisadvocate.com/2019/2020-oregon-laws-bicycle-stops-and-plastic-bags/](http://www.corvallisadvocate.com/2019/2020-oregon-laws-bicycle-stops-and-plastic-bags/) (December 29, 2019); and Phil Willon and Alexa Díaz, "California Becomes First State to Ban Discrimination Based on One's Natural Hair," *Los Angeles Times*, [www.latimes.com/local/lanow/la-pol-ca-natural-hair-discrimination-bill-20190703-story.html](http://www.latimes.com/local/lanow/la-pol-ca-natural-hair-discrimination-bill-20190703-story.html) (July 3, 2019).

that, over a three-year period, nearly half of the states had eliminated or consolidated numerous state departments, agencies, boards, and commissions in an effort to increase the efficiency and effectiveness of government.<sup>4</sup>

*Innovation* has become a buzzword for state and local government. Different groups, ranging from the Council of State Governments (CSG)<sup>5</sup>—a

national nonpartisan nonprofit organization—to Bloomberg Philanthropies<sup>6</sup>—a nonprofit organization created by former New York City mayor and billionaire Michael Bloomberg—to Harvard University’s Ash Center for Democratic Governance and Innovation<sup>7</sup>—an advocate for innovative approaches in state and local governing. Each of these groups has a somewhat different approach to innovation, but they share a common focus on issues such as alternative energy, infrastructure investment, workforce development, cybersecurity, international trade, and others. Although many of the innovations deal with public policies, some of the new ideas these organizations address are internal to government operations and are intended to make government function more effectively. These include the use of social media, the adoption of **evidence-based practices**, the analysis of data with geographic information system technology, and the use of logic models to achieve desired program results. The unifying characteristic among these innovations is governmental willingness to try something new. And good ideas travel; that is, they are often adopted by other states or localities. For example, after the city of Houston debuted a new web tool, “My Tax Dollars at Work,” other cities followed suit. Using this tool, homeowners can quickly find out how much of their local property taxes go to various city departments such as public safety, trash and recycling pick up, parks and recreation services, land development, and city administration.

## Our Approach

The argument of this book is that states and localities have the capacity to play central roles in the U.S. federal system. **Capacity** refers to a government’s ability to respond effectively to change, to make decisions efficiently and responsibly, and to manage conflict.<sup>8</sup> Thus, capacity is tied to governmental capability and performance. In short, states and communities with more capacity work better than those with less capacity.

But what factors make one government more capable than another? Governmental institutions such as the bureaucracy matter. The fiscal resources of a **jurisdiction** and the quality of its leadership make a difference. Much of the research on capacity has focused on the administrative dimension of government performance, evaluating items such as financial management, information technology, human resources, and strategic planning. In a 2008 study of state government performance, the highest overall scores went to Utah, Virginia, and Washington (each state received an A–) and Delaware, Georgia, Michigan, Missouri, and Texas (with grades of B+).<sup>9</sup> Earlier evaluations of forty large counties showed that Fairfax, Virginia, and Maricopa, Arizona, had the best performance grades. Among thirty-five cities examined, Austin, Texas, and Phoenix, Arizona, were the leaders. Other factors being equal, we would expect high-scoring states, counties, and cities to produce “better” government than low-scoring jurisdictions.

A survey in Iowa showed another side to governance. When asked about the characteristics of good government, Iowans put trustworthiness, ethics, financial responsibility, and accountability at the top of the list.<sup>10</sup> Residents

### evidence-based practices

Making decisions based on the best research findings available.

### capacity

The ability of government to respond effectively to change, make decisions efficiently and responsibly, and manage conflict.

### jurisdiction

The territorial range of government authority; “jurisdiction” is sometimes used as a synonym for “city” or “town.”

of the Hawkeye State are not unusual; all of us want our institutions and leaders to govern honestly and wisely. As political scientist David Hedge reminds us, better government is found in jurisdictions that are responsible and democratic.<sup>11</sup> But states and localities face significant challenges as they govern. Complex, often contradictory forces test the most capable of governments. As we have seen recently, trends in the national economy play out at the subnational level. Problems in one jurisdiction can spill over into nearby communities. State and local governments need all the capacity they can muster and maybe even a little bit of luck to meet those challenges. Sometimes states and localities fall short. For instance, in 2017, a budget imbroglio between the Republican governor and the Democratic legislature in New Jersey led to the partial shutdown of state government—including state parks and beaches on the Jersey Shore—for the busy three-day Fourth of July holiday. Obviously, this was not one of the shining moments in the annals of state government. That the public often displays a little skepticism about governmental performance is not surprising.

**Federalism**, with its overlapping spheres of authority, provides the context for state and local action. Intervention by the national government in the affairs of a state or local government is defensible, even desirable in some cases. For example, the environmental problems of the 1960s and 1970s exceeded state and local governments' ability to handle them, so corrective action by the national government was generally welcomed. However, some federal actions are greeted less enthusiastically. The Real ID Act was enacted by Congress in 2005 to upgrade the security of state-issued driver's licenses and other forms of identification. Real ID requires states to maintain databases of the documents used to prove their residency. The act threatened to prohibit any IDs that did not meet federal security requirements from being used for federal purposes such as boarding commercial aircraft or accessing federal facilities. As of 2020, forty-eight of the fifty states have fully complied with Real ID requirements. Only Oklahoma and Oregon have not yet complied. For many years, some states either resisted implementation (e.g., Maine, Pennsylvania, South Carolina) or sought extensions to the federally mandated timetable (e.g., California, Kentucky, North Carolina). States cited costs and the possibility of data insecurity as reasons for early noncompliance. The federal government responded by extending the deadline for full implementation of Real ID requirements. In response to the COVID-19 pandemic, the latest federal action extends the deadline for enforcing Real ID provisions to October 1, 2021.<sup>12</sup>

Our approach takes into account intergovernmental relations (i.e., the relationships among the three levels of government)—particularly, the possibilities for cooperation and conflict. Jurisdictions (national, state, or local) possess policy-making authority over specific, but sometimes overlapping, territory. They confront innumerable situations in which boundaries blur, and they must work together to accomplish an objective. However, cooperation in some cases is countered by conflict in other instances. Each level of government tends to see problems from its own perspective and design solutions accordingly. In sum, both cooperation and conflict define the U.S. federal system.

**federalism**

A system of government in which powers are divided between a central (national) government and regional (state) governments.

**LO 1-2**

To identify ways in which states and localities have increased their capacity.

## The Capacity of States and Localities

To appreciate where state and local governments are today, it is important to understand where they were just sixty to seventy years ago. With notable exceptions, states and their local governments in the 1950s and 1960s were havens of traditionalism and inactivity. As a result of tradition, inertia, and a general unwillingness to change the status quo, many states were characterized by unrepresentative legislatures, glad-handing governors, and a hodgepodge court system. Public policy tended to reflect the interests of the elite; delivery of services was frequently inefficient and ineffective. According to former North Carolina governor Terry Sanford, the states “had lost their confidence, and people their faith in the states.”<sup>13</sup> No wonder that, by comparison, the federal government appeared to be the answer, regardless of the question. In fact, political scientist Luther Gulick proclaimed, “It is a matter of brutal record. The American State is finished. I do not predict that the states will go, but affirm that they have gone.”<sup>14</sup>

Those days are as outmoded as a 1950s-era black-and-white television. States and their local governments have proved themselves capable of designing and implementing “an explosion of innovations and initiatives.”<sup>15</sup> As a result, even many national leaders have embraced the roles of states and localities as laboratories for policy experimentation. California’s sweeping new data privacy law that allows consumers to access the private data that companies maintain on them and to have that data deleted is indicative of this. As one commentator noted, “Since it’s a lot more work to create a separate infrastructure just for California residents to opt out of the data collection industry, these requirements will transform the internet for everyone.”<sup>16</sup>

The blossoming of state governments in the 1980s—their transformation from weak links in the federal chain to viable and progressive political units—resulted from several actions and circumstances, as discussed in the next section.<sup>17</sup> In turn, the resurgence of state governments has generated a host of positive outcomes. During the 1990s, states and localities honed their capacity and became **proactive** rather than reactive. They faced hard choices and creatively crafted new directions. A word of caution is necessary, however. The challenges of governance can be great, and not all states enjoy the same level of capacity. Furthermore, fiscal stresses such as those endured by state governments in the second decade of the twenty-first century sorely tested the ability of even the most capable states to function effectively.

### How States and Localities Increased Their Capacity

Several factors contributed to the resurgence of the states. U.S. Supreme Court decisions in the 1960s on legislative apportionment made for more equitable representation; the extension of two-party competition in the 1970s to states formerly dominated by one party gave voters more choices. At the same time, states and localities expanded their lobbying presence in the nation’s capital, exerting influence on the design and funding of intergovernmental programs.

**proactive**  
An anticipatory condition, as opposed to a reactive one.

Most important, state governments quietly and methodically reformed themselves by modernizing their constitutions and restructuring their institutions. Since the 1970s, more than three-quarters of the states have ratified new constitutions or substantially amended existing ones. Formerly thought of as the “drag anchors of state programs” and as “protectors of special interests,”<sup>18</sup> these documents have been streamlined and made more workable. Even in states without wide-ranging constitutional reform, tinkering with constitutions is almost endless thanks to the amendment process. Nearly every state general election finds constitutional issues on the ballot.

States have also undertaken various internal adjustments intended to improve the operations of state governments.<sup>19</sup> Modernized constitutions and statutory changes have strengthened the powers of governors by increasing appointment and removal powers and by allowing longer terms, consecutive succession, larger staffs, enhanced budget authority, and the power to reorganize the executive branch. Throughout the country, state agencies are staffed by skilled administrators, and the bureaucracy itself is more and more demographically representative of the public. Annual rather than biennial sessions, more efficient rules and procedures, additional staff, and higher salaries have helped make reapportioned state legislatures more professional, capable, and effective. State judicial systems have also been the targets of reform; examples include the establishment of unified court systems, the hiring of court administrators, and the creation of additional layers of courts.

## Increased Capacity and Improved Performance

The enhanced capacity enjoyed by state and local governments has generated a range of mostly positive results. The five factors discussed next reinforce the performance of states and localities.

**Improved Revenue Systems** Economic downturns and limits on taxing and spending have caused states to implement new revenue-raising strategies to maintain acceptable service levels. Some states also granted local governments more flexibility in their revenue systems. South Carolina, for example, now allows counties the option of providing property-tax relief to residents in exchange for increasing the local sales tax.

As a rule, state governments prefer to increase user charges, gasoline taxes, and so-called sin taxes on alcohol and tobacco, and only reluctantly do they raise sales and income taxes. Over time, revenue structures have been redesigned to make them more diversified and more equitable. State **rainy day funds**, legalized gambling through state-run lotteries and pari-mutuels, and extension of the sales tax to services are examples of diversification strategies. The seventeen states where alcohol is sold only in state-run stores are reviewing how they do business, making changes to increase sales and revenue, and considering privatizing alcohol sales, as Washington did in 2011.<sup>20</sup> Legalization and taxation of marijuana sales has added substantial amounts of revenue to state coffers.<sup>21</sup> Exemptions of food and medicine from consumer sales taxes and the enactment of property-tax breaks for poor and

### **rainy day funds**

Money set aside when a state's finances are healthy for use when state revenues decline. Formally called “budget stabilization funds.”

elderly people characterize efforts at tax equity. These revamped revenue structures helped states respond to and recover from the budget crises they confronted during the Great Recession of 2008–2011. The COVID-19 pandemic of 2020 has again sorely tested state government revenue systems by dramatically increasing expenditures on health, safety, and other services while reducing tax revenues.

States continue to tinker with their revenue-raising schemes. One successful foray into creative revenue raising has been the specialty license plate. Maryland, for example, has generated millions of dollars over the years with its “Treasure the Chesapeake” plate. Monies generated by the plates are earmarked for special programs—in this case, water quality monitoring and erosion control in the Chesapeake Bay. Nearly all states now offer specialty plates. In New York, for instance, owners can equip their cars, for an extra fee, with license plates honoring their favorite professional sports teams or NASCAR drivers. A brand-new approach to generating cash for states comes from the world of retail stores: the marketing of official gift cards. For example, both Kentucky and Ohio sell gift cards that can be used at state park locations for various park services and merchandise.

Another effort of enterprising localities is to sell merchandise. Los Angeles County has marketed coroner toe tags as key chains; Tucson hosts online auctions of surplus property. New York City, which loses thousands of street signs (Wall Street is especially popular) to souvenir-stealing tourists, now sells replicas. But the revenue generated by those actions is dwarfed by Chicago, which has sold (actually, leased for seventy-five years) its parking meter system to an investment bank for \$1.16 billion. As these examples show, states and localities are willing to experiment when it comes to revenue enhancement.

**Expanding the Scope of State Operations** State governments have taken on new roles and added new functions. In some instances, states are filling in the gap left by the national government’s de-emphasis of an activity; in other cases, states are venturing into uncharted terrain. It was states that designed the first family leave legislation to give workers time off to care for newborn babies and ailing relatives, the first “Three Strikes” laws that mandated long prison sentences for habitual offenders, and the first Amber Alert systems to broadcast information about abducted children. The federal government eventually followed suit with a national family leave act, a federal Three Strikes law, and a national Amber Alert system. In addition, states have taken the initiative in ongoing intergovernmental programs by creatively using programmatic authority and resources. Prior to federal welfare reform in the mid-1990s, several states had established workfare programs and imposed time limits on the receipt of welfare benefits, provisions that were at the center of the subsequent federal legislation.

States persist in expanding their scope of operations, whether it is California’s venture into stem-cell research or Florida’s strides into bioterror readiness. Hawaii has begun development of an extensive network of plug-in

spots where electric cars can be recharged; New Mexico is a partner in a new commercial spaceport facility that it hopes will become the center for space tourism. Fifteen states (and the District of Columbia) currently have legalized marijuana for recreational, as opposed to medicinal, use (another states allow broadly interpreted medical use of marijuana). In short, states are embracing their role as policy innovators and experimenters in the U.S. federal system.

Local governments are also pushing the policy envelope. For instance, in 2012, San Francisco took a bold step when it launched its K2C program to provide college savings accounts to every kindergarten student in the city school district; Cuyahoga County, Ohio, followed suit the next year. In an effort to offer more transit options to the public, Tulsa, Oklahoma, became the first city in the United States to establish an automated bike-share system, with two dozen bikes at three solar-powered stations; New York City took a slightly different approach by creating a public-private partnership for its Citi Bike system. Las Vegas won awards for its use of Amazon's Alexa to provide information to tourists and residents through its My Vegas platform. Some cities have begun to address the problem of food deserts—the absence of grocery stores and fresh food in low-income neighborhoods—by incentivizing investment by food retailers and by supporting urban agriculture. Cities such as Tulsa, Birmingham, and New Orleans are attempting to use their local zoning codes to restrict convenience stores that don't offer fresh meat, fruits, and vegetables from locating in certain areas.<sup>22</sup> These examples make an important point: Local governments are not sitting idly by as problems emerge; instead they actively seek solutions.

**Faster Diffusion of Innovations** Among states, there have always been leaders and followers; the same is true for local governments. Now that states and localities have expanded their scope and are doing more policy making, they are looking more frequently to their neighbors and to similar places for advice, information, and models.<sup>23</sup> As a result, successful solutions spread from one jurisdiction to another. For example, Florida was the first state to create a way for consumers to stop telephone solicitations. By 1999, five more states had passed laws letting residents put their names on a “do-not-call” list for telemarketers. Seven additional states adopted similar legislation over the next two years before Congress enacted a national statute.<sup>24</sup>

Local-level innovations spread rapidly, too. Education and environmental protection offer many examples of this phenomenon. When Miami-Dade County, Florida, hired a private company to run a public elementary school, other school districts hoping to improve quality and cut costs quickly did the same. Initial experiments with privatization spawned other innovations such as charter schools. The issue of climate change began to be addressed at the local level in 2005, when the mayor of Seattle became the first local official to commit his city to a plan to reduce the emission of greenhouse gases. Within the last fourteen years, some 1,066 mayors of other U.S. cities



## It's Your Turn

### Should Governments Have Innovation Offices?

In comparison to businesses and corporations that are often seen as engines of innovation, some folks see state and local governments as slow-moving and reactive entities. In an effort to change that perception and to make government more proactive, city

governments from Austin to Pittsburgh are creating innovation offices. These offices are tasked with discovering new and more efficient ways for government to do its job.

PROS	CONS
Having an innovation office could help cities become leaders in discovering new ideas and approaches rather than followers of others' innovations.	Creating a new office in city government means that money will need to be spent on that office. That money has to come from somewhere, whether it is from new revenue or diverted spending.
Internally focused innovation offices can lead to cost savings and efficiency improvements in government.	There are no guarantees of cost savings. Generating cost savings depends on the capabilities of the people employed in the innovation office and their leadership . . . and maybe even some good luck.
Externally focused innovation offices can lead to new government services or better ways to provide existing services. These offices may also identify new partnership opportunities.	

have joined the climate change bandwagon.<sup>25</sup> In 1985, San Francisco enacted a city ordinance that forbade city officials from assisting federal immigration officers, thus becoming the first "sanctuary city." There are now some 500 cities that call themselves sanctuaries for immigration purposes, a designation that is highly controversial in local, state, and national politics. It is worth noting, of course, that the diffusion of new ideas depends in large part on their fit with local conditions and their effectiveness in addressing local problems.

Obviously, state and local governments learn from one another. Communication links, including social media such as Facebook and Twitter, have become extensive. A state might turn to nearby states when searching for policy solutions. Regional consultation and emulation are logical: Similar problems often beset jurisdictions in the same region, a program used in a neighboring state may be politically more acceptable than one from a distant state, and organizational affiliations bring state and local administrators together with their colleagues from nearby areas. However, research has shown that states also borrow ideas from peer states, that is, states that are like them in important ways such as ideological leaning or economic base.<sup>26</sup> In the search for solutions, states and localities are increasingly inclusive.





Chip Somodevilla/Getty Images News/Getty Images

A group of governors holds a press conference in Washington, D.C., after meeting with former President Obama.

**Interjurisdictional Cooperation** Accompanying the accelerated flow of innovations has been an increase in interjurisdictional cooperation. States are choosing to confront and resolve their immediate problems jointly. A similar phenomenon has occurred at the local level with the creation of regional organizations to tackle area-wide problems collectively.

Interjurisdictional collaboration takes many forms, including informal consultations and agreements, interstate committees, legal contracts, reciprocal legislation, and interstate compacts. For example, all fifty states and the District of Columbia, Puerto Rico, and the U.S. Virgin Islands have a mutual agreement to aid one another when natural disasters such as hurricanes, earthquakes, and forest fires strike.

States often cooperate when it comes to consumer protection litigation. Five states—Mississippi, Minnesota, West Virginia, Florida, and Massachusetts—were among the first to band together to share information and design tactics in their lawsuits against tobacco companies in the mid-1990s; by 1998, thirty-seven other states had joined in the successful effort to recover the Medicaid costs of treating tobacco-related diseases.<sup>27</sup> In analogous fashion, states are suing opioid manufacturers over the costs associated with treating addiction. Oklahoma recently won its suit against the consumer product manufacturer Johnson & Johnson while similar lawsuits by twenty-five other states proceed against OxyContin<sup>®</sup> manufacturer Purdue Pharma.<sup>28</sup> Increased jurisdictional cooperation fosters a healthy climate for joint problem solving. In addition, when state and local governments solve their own problems, they protect their power and authority within the federal system. It appears that states are becoming more comfortable working with one another. The beginning of the twenty-first century was indeed historic: States were engaged in more cooperative interactions than ever before.<sup>29</sup>

**Increased National-State Conflict** An inevitable by-product of more capable state and local governments is intensified conflict with the national government. One source of this discord has been federal laws and grant requirements that supersede state policy; another is the movement of states onto the national government's turf. National-state conflict is primarily a cyclical phenomenon, but contention has increased in recent years. The issue of unfunded mandates—the costly requirements that federal legislation imposes on states and localities—has been particularly troublesome. In an effort to increase the visibility of the mandates issue, several national organizations of state and local officials sponsored a “National Unfunded Mandate Day” in the mid-1990s. Making a strong case against mandates, then-governor George Voinovich of Ohio stated, “Unfunded mandates devastate our budgets, inhibit flexibility and innovation in implementing new programs, pre-empt important state initiatives, and deprive states of their responsibility to set priorities.”<sup>30</sup> Congress responded in 1995 by passing a mandate relief bill that requires cost-benefit analyses of proposed mandates; however, the law contains loopholes that have weakened its impact.

Some of the disputes pit a single state against the national government, as in Nevada's fight to block the U.S. Energy Department's plan to build a nuclear fuel waste storage facility at Yucca Mountain, 100 miles northwest of Las Vegas. Another example is the effort by Texas to continue its use of a flexible permitting process to regulate industrial air pollution, a process that has been challenged repeatedly by the U.S. Environmental Protection Agency (EPA). In other conflicts, the national government finds itself besieged by a coordinated, multistate effort, for example, when twelve states sued the U.S. EPA in 2014 over the regulation of carbon emissions from existing coal plants, or when twenty states challenged the federal Affordable Care Act in 2010.<sup>31</sup> Cities, counties, and states designating themselves as sanctuaries—prohibiting law enforcement from cooperating with federal immigration officials in identifying or detaining those who may have arrived in the United States illegally—have created disputes between the federal government and state and local governments. In 2018, the U.S. Justice Department sued the state of California over three state “sanctuary” laws that the Justice Department alleges violate the U.S. Constitution, and President Donald Trump has attempted to block federal grants-in-aid funding from being awarded to state and local governments that fail to cooperate with U.S. immigration authorities.<sup>32</sup>

National-state conflicts are resolved (and sometimes intensified) by the federal judicial system. Cases dealing with alleged violations of the U.S. Constitution by state and local governments are heard in federal courts and decided by federal judges. Sometimes the rulings take the federal government into spheres long considered the purview of state and local governments. For instance, within the space of two days in 2009, Arizona both won and lost cases before the U.S. Supreme Court. The state was successful in its argument that state spending on language training for non-English-speaking students should not be subject to federal supervision, but it was unsuccessful in defending the actions of school officials who conducted a strip search of a middle-school student suspected of drug possession.

## Challenges Facing State and Local Governments

Increased capacity does not mean that all state and local problems have been solved. A Gallup poll released in 2016 asked a sample of residents in each of the fifty states about their level of confidence in their state government to handle problems facing the state.<sup>33</sup> On average, 57 percent of a state's residents said that they had confidence in their state government. This level of confidence is respectable but certainly not stellar. Moreover, the average masks substantial variation across the states ranging from North Dakota's 81 percent to Illinois' 25 percent. A look at Table 1.2 shows that confidence in state government tends to be higher in less-populated states and in states located

### LO 1-3

To recognize the challenges that states and localities confront on a daily basis.

**Table 1.2** Confidence in State Government to Handle Problems

STATE	PERCENTAGE CONFIDENT	STATE	PERCENTAGE CONFIDENT
Alabama	48	Montana	72
Alaska	64	Nebraska	74
Arizona	49	Nevada	61
Arkansas	63	New Hampshire	68
California	54	New Jersey	41
Colorado	66	New Mexico	48
Connecticut	39	New York	46
Delaware	65	North Carolina	55
Florida	57	North Dakota	81
Georgia	59	Ohio	59
Hawaii	55	Oklahoma	60
Idaho	63	Oregon	55
Illinois	25	Pennsylvania	46
Indiana	55	Rhode Island	33
Iowa	68	South Carolina	59
Kansas	45	South Dakota	71
Kentucky	54	Tennessee	63
Louisiana	44	Texas	64
Maine	48	Utah	70
Maryland	56	Vermont	60
Massachusetts	66	Virginia	58
Michigan	48	Washington	54
Minnesota	69	West Virginia	51
Mississippi	55	Wisconsin	49
Missouri	50	Wyoming	76

Source: Jeffrey M. Jones, "Illinois Residents Least Confident in Their State Government," [www.news.gallup.com/poll/189281/illinois-residents-least-confident-state-government.aspx](http://www.news.gallup.com/poll/189281/illinois-residents-least-confident-state-government.aspx) (access December 17, 2019).

in the upper plains region, but undoubtedly other factors contribute to these poll numbers. The percentages serve as a reminder that even though states (and localities) have made many strides forward, there is plenty of room for improvement. Three tough challenges for nonnational governments include fiscal stress, interjurisdictional conflict, and political corruption.

**Fiscal Stress** The most intractable problem for states and localities involves money. State and local finances are vulnerable to cyclical peaks and troughs in the national economy as well as to occasional changes in public finance.

The national economic recession of 2008–2011 hit states and localities hard—very hard—and the impact on governmental budgets was significant. Connecticut governor Jodi Rell did not mince words when she said, “These are the worst financial times any of us can remember . . . let’s face it, it’s scary.”<sup>34</sup>

The fiscal impact of the Great Recession was deep and prolonged, with four consecutive years in which states faced significant mismatches between revenues and spending. During that time, state lawmakers scrambled to close budget gaps that, according to estimates by the National Conference of State Legislatures, totaled \$510.5 billion.<sup>35</sup> State rainy day funds grew precariously drier as legislators looked to them for short-term relief. In an effort to save money, some prisons were closed in Colorado, Kansas, Michigan, North Carolina, and Washington; in some states, funding for education was reduced, and cash assistance for low-income families was cut; in others, state agencies were **downsized** and employee wages were frozen. State leaders sought new revenues also: Income tax rates were increased in California, Hawaii, Illinois, and New York; sales tax increases were enacted in Arizona, California, and Massachusetts, among other states. Facing the largest deficit of any state, the governor of California battled with the legislature over several money-saving proposals, including “selling the Los Angeles Memorial Coliseum, San Quentin State Prison and other state property, eliminating welfare benefits for 500,000 families, terminating health coverage for nearly 1 million low-income children and closing 220 of the state’s parks.”<sup>36</sup>

Local governments felt the recessionary heat as well; Dallas, one of the country’s largest cities, provides an example. To close a \$190.2 million deficit in its budget, the city of Dallas made cuts in numerous city services, including street repairs, arts funding, library hours, and park maintenance; in addition, nearly 800 city employees lost their jobs.<sup>37</sup> The story was much the same in many other localities: reduce costs as painlessly as possible and, if necessary, increase fees. Some relief was forthcoming when Congress passed the \$787 billion American Recovery and Reinvestment Act, informally known as the federal stimulus plan, but many states and communities felt the fiscal pinch well into 2012. Now, cash-strapped states and localities are confronting a “new normal” in which they are expected to provide public services with fewer dollars at their disposal.<sup>38</sup>

**downsize**  
To reduce the size  
and cost of something,  
especially government.

The COVID-19 pandemic provides another threat to state and local government. To slow the spread of the disease, governors and mayors ordered businesses to shut down operations. While this “flattening of the curve”

resulted in reducing the daily number of new disease cases and so helped health care systems from becoming overloaded, it also resulted in much higher unemployment rates in March and April and concomitant reductions in sales, income, and in some places, property tax revenues. In response to this, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. This act established a \$150 billion Coronavirus Relief Fund to provide grants to help state and local governments cope with the unexpected additional expenses associated with the public health emergency. In addition, The Families First Coronavirus Response Act increased by \$35 billion the federal funding share to the Medicaid program, the joint federal-state program that provides health insurance to lower income people. The actual financial impact of COVID-19 is expected to be much greater than the total of this federal assistance, meaning difficult budgetary decisions by state and local governments in 2020 and afterward.

**Increased Interjurisdictional Conflict** Tension is inherent in a federal system because each of the governmental entities has its own set of interests, as well as a share of the national interest. When one state's pursuit of its interests negatively affects another state, conflict occurs. Such conflict can become destructive, threatening the continuation of state resurgence. In essence, states end up wasting their energies and resources on counterproductive battles among themselves.

Interjurisdictional conflict is particularly common in two policy areas very dear to state and local governments: natural resources and economic development. States rich in natural resources want to use these resources in a manner that will yield the greatest return. Oil-producing states, for instance, levy severance taxes that raise the price of oil. And states with abundant water supplies resist efforts by arid states to tap into these supplies. The most serious disputes often occur among neighboring states. One illustration is the protracted dispute between California and six other western states over water allocations from the Colorado River, an issue made even more contentious since California experienced a drought for much of the 2010s. In short, the essential question revolves around a state's right to control a resource that occurs naturally and is highly desired by other states. Resource-poor states argue that resources are in fact national and should rightfully be shared among states.

In the area of economic development, conflict is extensive because all jurisdictions want healthy economies. Toward this end, states try to make themselves attractive to business and industry through tax breaks, regulatory relaxation, and even image creation. (The Controversies in States and Localities box explores how jurisdictions seek to reverse negative images and to **rebrand** themselves more positively.) Conflict arises when states get involved in bidding wars—that is, when an enterprise is so highly valued that actions taken by one state are matched and exceeded by another. The recent searches by Amazon—for a second headquarters facility in addition to Seattle—and Apple—for a new campus—pitted states and cities against each other in attempting to attract the 50,000 jobs to be created by Amazon

**rebrand**

An effort to change how a state or city is perceived by the public, to create a new image of a place.

and the 15,000 by Apple. States hungry to attract these facilities assembled packages of incentives such as below-cost land, tax concessions, and subsidized job training in their efforts to attract Amazon, Apple, and other large companies. Virginia reportedly granted Amazon more than \$750 million in incentives to get the new headquarters facility located in Arlington.<sup>39</sup> Similar incentives were offered by many cities to attract Apple; eventually the company opted to locate in Austin, Texas, where incentives totaled less than \$50 million.<sup>40</sup>

A particularly fascinating interjurisdictional contest involves the recurring rounds of U.S. military base closures and consolidations. Military bases are economic plums that no jurisdiction wants to lose. Thus, states mount public relations efforts to protect local bases and to grab jobs that will be lost in other states. Politics and lobbying are supposed to play no role in the Pentagon's decisions about which bases will remain open and which ones will close, but states prefer to hedge their bets. In the most recent round of base closings, Texas devoted \$250 million to defending its bases, and Massachusetts allocated \$410 million for its own bases. As one observer put it, "It is a war of all against all."<sup>41</sup> In 2017, President Trump asked Congress to authorize a new study of base closings, which would report its recommendations in 2021.

**Political Corruption** Corruption exists in government, which is no great surprise. Most political systems can tolerate the occasional corrupt official, but if corruption becomes commonplace, it undermines governmental capacity and destroys public trust. Public reaction ranges from cynicism and alienation (corruption as "politics as usual") to anger and action (corruption as a spur to reform). A survey found that the more extreme the corrupt act (a city clerk embezzling \$100,000 versus a police officer accepting free food at a restaurant), the more harsh the public's judgment.<sup>42</sup> Even so, mitigating motives or circumstances tend to reduce the public's outrage (e.g., a public official taking a bribe but using the money to pay his sick child's hospital bills). But governmental scandals have been linked tentatively to another negative effect—a slowdown in economic growth. Research on states found that federal corruption convictions are associated with declines in job growth primarily because, from a business perspective, corruption creates uncertainty and inflates costs.<sup>43</sup>

States and localities have taken great precautions to reduce the amount of wrongdoing occurring in their midst. Government has much more **transparency** than it ever has before, with more openness and more rules. But the statutes and policies are only as good as the people whose behavior they regulate. Unfortunately, examples of corrupt behavior are not hard to find. For instance, in 2018, Dallas Mayor Pro Tem Dwaine Caraway pled guilty to federal bribery charges related to contracts he illegally steered to a local business operator, and, in 2019, John Green, who served as the elected sheriff of Philadelphia from 1988 to 2010, was convicted of bribery and other financial offenses he committed during his twenty-two years in office.

**transparency**

A characteristic of a government that is open and understandable, one in which officials are accountable to the public.