Devolution

BACKGROUND

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.
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> —U.S. Constitution, Amendment 10

Ever since debate began over the Articles of Confederation, the country has struggled with how to define the role of the states and the federal government. Most of the country's founders envisioned an extremely limited role for the federal government. Fearful of the centralized power they had witnessed in the colonies' relationship with England, many were intent on severely restricting federal authority and assuring that most decision-making was made at the state level. There was another view, of course: The Federalists, whose position was articulated most notably by John Adams, believed that the new nation could operate effectively only if there were consistency in certain matters among states, and the federal government had sufficient powers to enable it to assure such consistency.

GLOSSARY

Devolution
The shift from a higher to a lower government level of responsibility for decision-making in regard to government services.

Over the course of the country's history, the balance has shifted between more centralized federal authority and more discretion for the states. In times of crisis or change, the balance tends to tip toward centralization; in times of relative prosperity and peace, it tips toward the states. Until the Civil War, the country operated basically as the founders envisioned, but the crisis of war and Abraham Lincoln's singular leadership galvanized the country toward national goals. Likewise, Theodore Roosevelt's presidency, coming as it did during the maturing economic empires of railways, gas, oil, and banking, saw a new wave of federal authority that regulated industries, created national parks, and engaged in significant military efforts abroad.

However, it was Franklin D. Roosevelt's presidency and the double whammy of the Great Depression and World War II that tipped the balance substantially toward centralization. Old-age pension programs were instituted, federal regulation of the nation's industries increased, federal child labor laws were rewritten, farm-relief programs were initiated, and efforts to create a national, federally funded "safety net" began in earnest.

The country supported these efforts. From FDR's time through Lyndon Johnson's presidency, the citizenry—remembering the trials and tribulations of the Depression and the Great War—looked to the guiding hand of Washington, D.C., for answers to the pressing domestic problems of poverty, racism, environmental contamination, and transportation needs. In addition, the Cold War and fear of the USSR's "evil empire" buttressed the public's belief that a strong federal government was necessary to protect and nurture the nation.

With the beginning of the Nixon-era revenue-sharing programs came a subtle shift in the government's role. These programs, which gave the states federal funds with relatively few strings attached, responded to public stirring about federal government's size and power and the growing chorus of governors arguing that if given flexibility they could tailor programs to meet their own state's needs.

The Reagan presidency presided over a major shift in federal government's view about its role and the way the public views federal programs. Ronald Reagan's 1980 election joined his and many Americans' pronounced belief that "the federal government is the problem," and *devolution*—the shift, from a higher to a lower government level, of responsibility for program decision-making—began in earnest.

Perhaps the most visible devolved policy has been in the welfare system. In the early 1990s several governors began pushing for flexibility in the way they were permitted to use federal dollars to operate safety-net programs, most notably welfare and health. Various governors (including Michigan's John Engler) sought and were granted waivers enabling their states to deviate from standard, federally established procedures for delivering certain human services programs, including AFDC (Aid to Families with Dependent Children). State chief executives in both parties, united under the umbrella of the National Governors Association, brought about a series of state and federal actions that altered the roles of the various layers of government: They gained increased state authority to determine the scope of public policy.

Following success with their initial waiver efforts, the governors began seeking broader shifts in public policy and found an ally in Bill Clinton who, during his 1992 campaign, had promised to "end welfare as we know it." In August 1996, President Clinton signed a welfare reform bill that fulfilled that promise. Known as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), it ends the federally established AFDC program and delegates authority to state governments to design and implement Temporary Assistance for Needy Families (TANF). States still receive federal money—although the amount is diminishing—but they now have considerable flexibility in how they use it; they are designing programs that serve their own needs best. The result is that among the states there are differing eligibility standards, various eligibility time limits, and divergent work/training requirements tied to receiving benefits.

In some states, decision-making authority has been further devolved, to the county or local level; in the latter case, many communities have formed nonprofit organizations to structure and deliver programs. Others have opted for letting the private sector handle, through contract, what traditionally were government service-delivery responsibilities.

Devolution of the welfare system is but one example of the trend toward shifting greater authority to the states and limiting federal government's role. For example, Congress has adopted legislation that will severely limit the federal government's role in agricultural production, and there are efforts underway to shift more environmental responsibility from the federal government to the states. Some are advocating for devolution of transportation policy and spending, arguing that states can make better decisions about how to spend the money raised by the federal gasoline tax.

DISCUSSION

Devolution raises questions about the proper scope, cost, and efficiency of government; the role of the private and nonprofit sectors in deciding the extent to and how people and society shall be served; and what constitutes the proper balance between societal and individual responsibility.

Supporters of devolution see it as a return to the Jeffersonian value of strong states and limited federal authority—a philosophy of letting states construct programs that meet their individual circumstances. They argue that by permitting policy decision-making to occur at the state or local level, costs can be cut and program quality improved.

Critics fear that devolution will cause a "race to the bottom," as states adopt programs that cut costs without regard for the welfare of the poor or society's greater good. They point to the growing gap between the "haves" and the "have nots," arguing that only a strong, consistent federal hand will assure relative equality across the states. They argue that certain government responsibilities should not simply be delegated to the states—they contend, for example, that decentralized environmental protection cannot work because pollution does not respect political boundaries.

Nevertheless, the trend—in government, just as in industry—is toward decentralizing decision-making and program responsibility, and it likely will continue for the foreseeable future.

In the coming decade, devolution will have enormous consequences for state government, the nonprofit sector, and local government units.

As mentioned, devolution affects many aspects of public policy—welfare, health, agriculture, environment, education, transportation—and in this publication its effects are noted, where applicable, under the various topics.

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