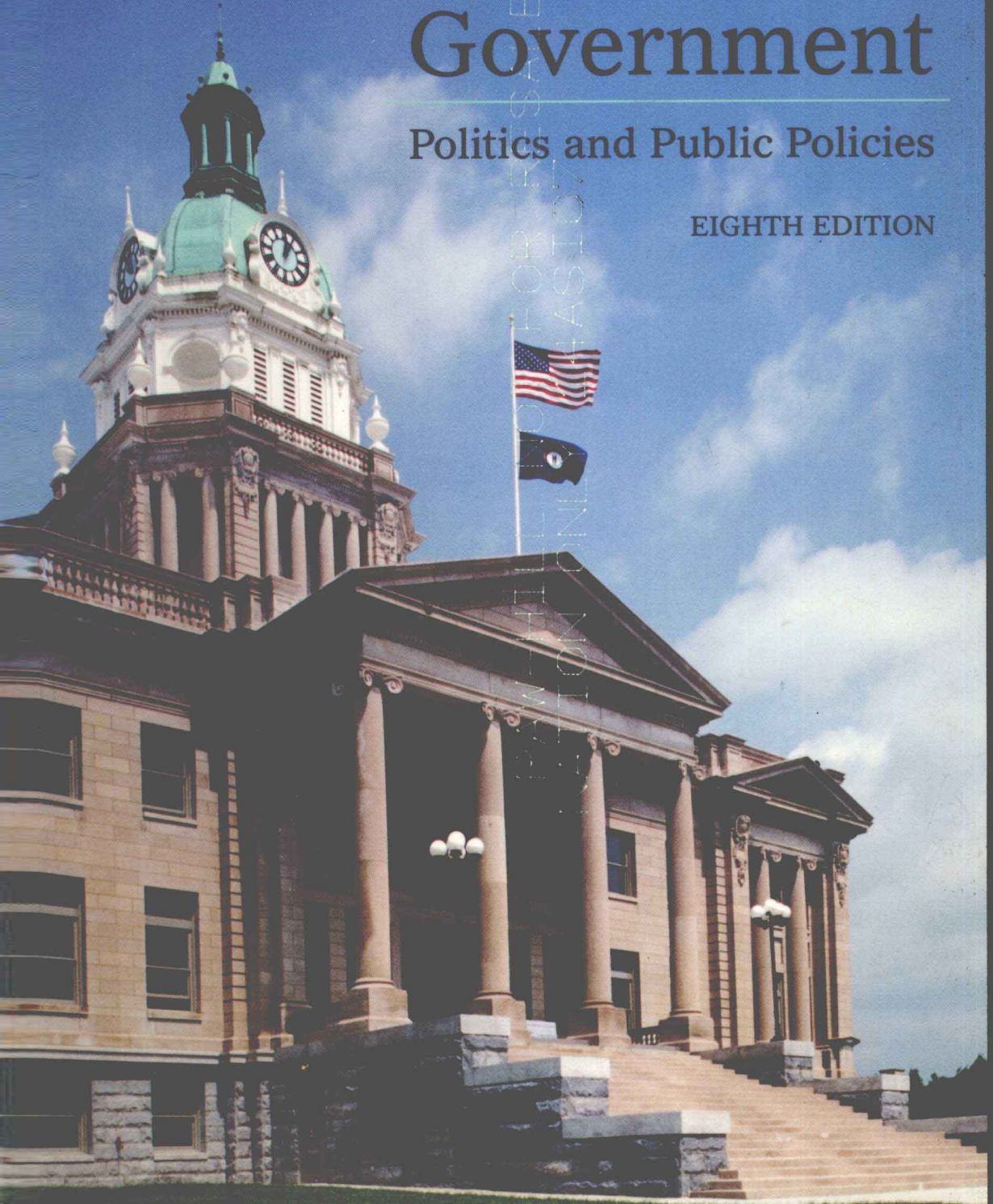


State and Local Government

Politics and Public Policies

EIGHTH EDITION



David C. Saffell | Harry Basehart

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David C. Saffell

Ohio Northern University

Harry Basehart



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STATE AND LOCAL GOVERNMENT

Politics and Public Policies, Eighth Edition

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Chapter opening photos

Chapter 1, Capitol Building for the state of Utah; Chapter 3, Connecticut Secretary of State Susan Bysiewicz with her daughter Ava at the Connecticut Democratic Party Convention held in Hartford, Connecticut, July 2002; Chapter 4, California Governor Gray Davis supporters rally outside the California Broadcasters Association debate held at Sacramento State University; Chapter 5, Floor of the Texas state legislature; Chapter 6, Linda Lingle being sworn in as Hawaii's sixth governor and the first woman to hold the state's highest office

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Preface

Beginning with its first edition in 1978, *State and Local Government: Politics and Public Policies* has attempted to present up-to-date, readable analysis about the structure and operation of state and local government. Although the book has remained a concise treatment of subnational politics, we have always included discussion of a reasonably wide range of policy issues and we have attempted to incorporate current research in the field.

Our discussion of political parties, interest groups, political participation, elections, legislatures, executives, bureaucrats, and courts centers on state governments, but it also includes considerable analysis of political behavior and government structure in cities, counties, and other units of local government. At all levels, the reader is reminded about the impact of political culture, tradition, and economic development on government structure and policy making.

Over the years we have chronicled the evolution of state and local government from serious financial problems in the early 1980s through a “resurgence” in the early 1990s and budget surpluses of the late 1990s. With this edition, we look at ways in which most states are dealing with their most severe financial crisis since World War II. Even in this downturn, we are impressed by the continuing vitality of state governments as they find ways to maintain their tradition of innovation.

We continue to employ a variety of pedagogical devices in all chapters. These include points to consider, chapter summaries, key terms, and summaries of state-local differences. All chapter-opening stories are new or revised and websites have been updated and expanded.

The existence of an extraordinary number of outstanding websites makes the study of state and local government more exciting than ever. It has never been easier to study the politics of the fifty states, and even hundreds of cities. At the end of each chapter, under “Interesting Websites,” we identify several websites that have useful information if you decide to pursue some of the chapter’s topics in more depth; however, the best overall website for state government is Stateline.org at www.stateline.org. This site is operated by the Pew Center on the States, a research organization administered by the University of Richmond and funded by the Pew Charitable Trusts. Once you are at the

home page of Stateline.org, click on "State News Roundup" and you will have access to the major story of the day in each of the states. If you want to look at issues, click on one you're interested in, such as "Environment and Energy," and you'll be connected to recent news stories on this issue from several states. Under "States," you can choose a state and discover background information and the latest news stories. Finally, you should consider registering for "My Stateline." My Stateline provides easy access to stories relating to your state and/or issue interests. News alerts are available if you want to be notified by e-mail when there is an important news story or an important development regarding an issue tracked by Stateline.org. Enjoy!

In addition to updating statistics in graphs and tables and information about current political behavior and elections, this edition contains new or expanded material on a variety of subjects. Major additions include discussion of population change among the states in the 1990s; Supreme Court federalism decisions, including *Bush v. Gore*; an evaluation of devolution under presidents Clinton and Bush; growth of the Republican Party in the South; divided government in the states and its impact on public policy; lobbying ethics; the Voting Rights Act of 1975 and the Chicano movement; impact of the National Voter Registration Act; state efforts to improve voting systems after the 2000 presidential election in Florida; the changing nature of judicial elections; public financing of state elections and Clean Election Reform; the role of money in the initiative process; legislative districting after the 2000 census; new challenges to state legislatures; gubernatorial pardons; affirmative action in state bureaucracy; activism by state attorneys general; the impact on the legal system of the increasing numbers of women and minority judges; why crime rates and rates of imprisonment have declined recently; gambling and American Indian casinos; the economic recession and the drop in state revenues; the effects of e-commerce on sales tax revenues; economic and political diversity among suburbs; smart growth strategies; population growth in rural areas; education reform, charter schools, and the role of the federal government in public education; and successes and failures of welfare reform.

Preparation of this edition was greatly aided by the thoughtful comments of many people. As always, several anonymous (to us) reviewers of the last edition of the book helped bring to our attention numerous places for improvement. Reviewers included: J. Theodore Anagnoson, California State University, Los Angeles; Charles A. Hantz, Danville Area Community College; Lori Klein, Harding University; Rick S. Kurtz, Central Michigan University; Phillip W. Roeder, University of Kentucky.

Others who helped enrich this edition and helped us avoid errors of commission and omission include Timothy G. O'Rourke, Dean, Fulton School of Liberal Arts, Salisbury University; David A. Warner, Maryland Department of Legislative Services; and staff at the Knight Library and the John E. Jaqua Law Library of the University of Oregon.

As with past editions of this book, we had superb editorial direction from Monica Eckman and we benefited greatly in this edition from the hands-on management of Angela Kao. Excellent copyediting by Sheryl Rose greatly improved the clarity and accuracy of the book.

David C. Saffell

Harry Basehart

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CHAPTER 1

The Setting of State and Local Government



POINTS TO CONSIDER

- How state government activities have been affected by the decline of the national economy, the threat of terrorism, and the war in Iraq.
- How state policy is influenced by economic factors, physical setting, political culture, sectionalism, and racial/ethnic diversity.
- The impact of immigration on California and many other states during the last thirty years. Should the United States reduce the number of immigrants admitted annually to the country?

- The nature of population change in states and cities, especially in the Sunbelt, and how this has affected public policy in the past forty years.
- The projected impact of changes in United States population by region and in terms of race and ethnicity in the next twenty-five years. How is life in the United States likely to change when whites no longer are the majority group?
- The composition of state constitutions and their historical evolution.
- The legal position of cities and how this affects their policy making.
- The process by which state constitutions are amended. What is the best way to accomplish significant constitutional change?

STATES IN THE TWENTIETH CENTURY

The states dominated American government in the nineteenth century and the first decade of the twentieth century. However, several events in the first half of the twentieth century relegated the states to a position of secondary importance. Ratification of the Sixteenth Amendment (relating to income tax) in 1913 gave the federal government much greater ability to raise money and to centralize policy making. The Depression showed the weaknesses of the states in responding to the nation's economic problems and led to greater focus on the president as the center of government. World War II further strengthened the authority of the president and the centralization of power in Washington.

The American States: United or Divided?

As the American population is becoming more diverse—whites will comprise about 50 percent of the nation's population in 2050—minority groups are becoming more concentrated regionally. Nearly 55 percent of all blacks live in the South, about half of all Hispanics live in the West, and nearly 55 percent of all Asians in the West. As black and white middle-class suburbanites from the North move to the Sunbelt states (South Atlantic Coast plus Texas and California) and as Hispanics and Asians move to New York, Florida, Texas, and California, new voting blocs are emerging. In the North, the political power of groups left behind (older whites) has increased.¹

Increasingly, as in 2000, presidential candidates carefully craft their political messages to appeal to, and not to offend, dominant groups in various regions around the country. As regions become more demo-

graphically distinct, presidential campaigns become more like balancing acts and less like acts of leadership. In particular, what candidates say in presidential primary races can vary greatly from South Carolina to Michigan.

In this chapter we will look at differences in policy making in various regions of the country, and we will consider how migration and immigration are affecting the American political system. This has been an ongoing process since the beginning of the nation.

Is present-day regional division by race and ethnicity a dangerous trend? If so, how is it likely to affect American politics in the coming years? What incentives are there for presidential candidates, especially in primary elections, *not* to pander to the interests of regional voting blocs?

State reform has been taking place since the early twentieth century, but the negative image of corrupt and incompetent state government persisted (and with good reason) into the early 1960s.² Since the mid-1960s, more than forty states have ratified new constitutions or made significant changes in existing ones. Governors' terms have been lengthened and their powers increased. Legislatures have become more professional (see Chapter 5) and more representative of urban interests, and nearly all meet in annual sessions. Court systems have been unified (see Chapter 7), and intermediate appellate courts have been added in many states. State bureaucrats are more professional, and the number of state employees under some form of merit system has increased from 50 percent in 1960 to nearly 80 percent, with nearly all state employees covered by merit systems in nearly three-fourths of the states (see Chapter 6). An increase in party competition in the states, followed by the election of energetic governors and the relaxation of federal directives, have led to more innovative state policies. In addition, cuts in federal aid have caused local governments to look more to the states for financial help (see Chapter 2).

This resurgence of the states was well under way when Ronald Reagan was elected president in 1980. Reagan believed that the federal government had done too much and that more responsibility for policy making should be turned over to the states. In addition, federal categorical grants-in-aid (see Chapter 2) were criticized by congressional conservatives and by state and local officials for their red tape and insensitivity to local problems. The timing of Reagan's changes in policy and philosophy thus caught the states at a point at which they were the most capable of assuming new policy making responsibilities. Unfortunately, the states also found themselves without some of the financial assistance they had come to expect from the national government. By 1990, states and localities faced severe financial pressures brought on by the recession and cuts in federal funds. A majority of states raised taxes, spending was cut, and employees were furloughed or fired in the early 1990s.

By the mid-1990s the financial position of most states and cities had improved as the national economy rebounded. Many states cut taxes and boosted spending for social services and infrastructure, and some put money away for a "rainy day." But the boom years for virtually all governments ended with the dawn of the new century. As the bubble burst on high-technology companies, stock values plummeted, unemployment rose, and state and federal budget surpluses turned to deficits (see Chapter 8).

Following federal tax cuts in 2001, dozens of states that tied their tax codes to federal rates had to make major code changes to avoid the loss of tax revenue. States also have had to absorb increases of about 10 percent annually in Medicaid costs. When they turned to the federal government, whose policies were adding to their woes, for financial help, states found that the Bush administration was preoccupied by its war on terrorism and that the federal budget surplus of 2000 had disappeared. Congress and the president promised to help pay for the training of "first responders" to deal with another terrorist attack, but the funds have not been authorized.

President Bush's 2003 budget called for more tax cuts and no significant direct assistance to the states. When the war against Iraq began, financial pressures on the federal government made assistance to states even less likely. At the same time, state and local security expenses grew, and many local police were called up to military service.

As a result of the combination of a sluggish domestic economy, international terrorism, and war, states faced what the National Governors Association called “the worst crisis in state finances since World War II.” Only a few states, such as New Mexico and Wyoming, where there was a natural gas boom, were exempt from the crisis.

By 2002 nearly all states reported revenues below forecasts, with a gap of nearly \$50 billion between revenues and projected spending. The gap was projected to be even greater in the next two years. States across the country responded by cutting spending, canceling capital projects (such as roads and bridges), and closing some state parks.³ So-called rainy-day funds soon were depleted. At the same time that Congress approved a \$330 billion package of rebates and tax cuts in 2003, it provided only \$20 billion in aid to states and cities over the next two years. Of that, \$10 billion was directed to Medicaid assistance.

CONTINUED STATE VITALITY

In 1998 Garry Wills commented, “States and localities are manifesting a new energy, almost a frenzy, in starting, altering, or killing programs.”⁴ In education, Wills noted that states had developed charter schools, introduced vouchers for private schools, retrenched in the use of bilingual education, and ended affirmative action in colleges. To fight crime, they had reintroduced the death penalty and passed “three strikes and you’re out” laws. In politics, they had enacted term limits for legislators and created public financing of campaigns. In welfare, many states were ahead of the federal government, establishing “from welfare to work” programs. In the areas of welfare reform, the environment, and health care the states reversed a trend for most of the last century in which the federal government centralized programs and controlled resources.

Despite the array of financial problems we have outlined above, states have managed to maintain their vitality as we move into the twenty-first century. This is especially true in the area of regulation of business, where Congress and the president have been conspicuously reluctant to take effective regulatory action.

New York State’s attorney general, Elliot Spitzer, has been in the forefront of taking legal action against Wall Street securities firms, reminiscent of the state action against tobacco companies in the 1990s. In 2001 and 2002 several state attorneys general joined Spitzer’s investigation of the cozy relationship between securities companies and large corporations. Spitzer won a \$100 million settlement with Merrill Lynch and he sued other brokerage firms. In 2003 Spitzer moved against mutual fund managers.

Peter A. Harkness notes that in 2002 the California legislature passed legislation forcing automobile companies to reduce greenhouse emissions and to make cars and trucks more fuel efficient.⁵ Because the vehicle market in California is so large, it gives the state unusual power over major automotive corporations. In addition, nine other states challenged the federal court settlement of an antitrust action against Microsoft.

State vitality was evident in the ways in which states and local governments across the country quickly responded to the terrorist attacks of September 11, 2001. Although state-level intergovernmental cooperation worked well, there often was an absence of effective coordination among federal agencies and between federal agencies and state and local officials. With the creation of the Department of Homeland Security,

coordination improved among government agencies. The Iraq war put more pressure on state and local governments to devise new ways to deal with security issues.

Current state vitality is part of a long history of innovative policy making by state governments. Wisconsin serves as a classic example: In 1900–1914, that state initiated the direct primary, civil service regulations, a state income tax, conservation laws, and a variety of state regulatory commissions. Studies done in the 1960s indicated that larger, wealthier, industrialized states were the most innovative.⁶ Still, states that were innovative in one area were not necessarily innovative in other areas.⁷ More recently, political scientists have found that innovation often comes in response to fiscal crisis. Other factors affecting state innovation include the influence of other states in their region and response to federal financial incentives.

In pioneering research, Jack L. Walker and others defined *innovation* as the adoption of laws modeled after those in other states. Other definitions of innovation looked at the creation of new programs, and they went beyond the enactment of legislation to consider executive actions and administrative programs.

While recognizing that there is a certain amount of follow-the-leader **diffusion of policy innovation**, recently political scientists have suggested that the pattern of diffusion more often resembles a convoy in which states as a group head in a common direction. Some states may break away from the convoy, but no state wants to fall too far behind those states in front of it. Even among states that adopt a broadly defined type of innovation, specific differences may exist, and some states may never adopt a given policy. For example, thirty-seven states created a wide variety of charter school programs in the 1990s, while thirteen states did not make any serious effort to adopt this innovation (see chapter 10).⁸ When convoys become very compact, that is, when many states have nearly identical policy, the pattern is said to resemble a “pack.”

As we will see in Chapter 6, a host of cities and counties across the country have been busy “reinventing government” by changing their budget processes; moving to prevent problems, such as crime and pollution, instead of treating symptoms; empowering citizens to manage public housing; privatizing public services; and establishing enterprises that make money. For example, some sewerage facilities are transforming sludge into fertilizer and selling it at a profit.

Much more so than federal government policy, what states and localities do directly affects everyday life. These governments not only have the major responsibility for education, crime, AIDS and other health problems, and welfare administration, but also they determine public university tuition, the price of subway fares, where and when we can purchase alcoholic beverages, whether soda bottles are returnable, and how much we pay for electricity. Most of these issues, even those that may appear trivial, generate strong political reactions from groups that have economic or ideological interests in public policy outcomes.

Political activity within the states is another indication of vitality. The activities of political parties and the management of campaigns and elections occur mainly in state and local settings. All elected public officials, except the president, are selected by voters within the states. Political parties have their organizational base in the states, with their power lodged most firmly in county committees and city organizations. Many members of the U.S. Congress initially held state or local office. Once elected, many senators and representatives devote much of their time (and the time of their staff

members) to “casework”—that is, representing the interests of their local constituents in dealing with federal agencies. In election campaigns they often focus their attention on local issues. In electing a multitude of state and local officials (plus participating in federal elections) and in deciding special ballot issues, such as higher tax rates for schools, voters experience a nearly continuous process of campaigns and elections. By holding the first presidential primary, New Hampshire exerts a disproportionate influence on national politics. In the 2000 presidential election, Republican governors played a major role in the nomination of fellow-governor George W. Bush.

STATE POLICY MAKING

Economic Factors

Public policy making is affected by a variety of factors operating outside the formal structure of state and local governments. A state’s economic characteristics—including levels of urbanization, personal income, and education—influence political decision making as well as the nature of political participation and party competition.⁹

One example of the effects of economic factors on policy making is funding for education. Wealthy, urbanized states, such as Michigan, New Jersey, and New York, spend considerably more per capita on education than do less prosperous, rural, southern states. Although wealthy states can obviously afford to spend more money per capita on social services than can poor states, their willingness to spend should be differentiated from their ability to spend. In education, some relatively poor states, such as Iowa and Vermont, make a stronger effort to assist their schools than do some rich states (i.e., their educational spending as a proportion of personal income is greater than that of wealthier states). Still, those poor states with relatively high tax rates are unable to match the per-pupil expenditures of wealthier states where the tax effort (or burden) is less. The term *tax burden* refers to taxes as a percentage of personal income; it expresses a relation between total taxes and total income in a state. The tax burden is lower than the national average in New Jersey because personal income is high and tax rates are relatively low.

The willingness to spend money often is tied to such political factors as the role of political parties, the influence of public opinion, and the leadership of the governor. These political factors help to explain why differences in spending levels exist among rich states and why some poor states make substantially greater efforts than other poor states. As we will see later in this chapter, willingness to spend money also is related to political culture and state tradition.

As far as political participation is concerned, party competition usually is stronger in the more wealthy, urbanized states, and voter turnout tends to be higher in those states as well. A few interest groups are more likely to dominate government in poor states, such as South Carolina and West Virginia, whereas in wealthier states a variety of interest groups tend to balance one another. The economically well-developed states also have been the most likely to adopt new policy ideas. Although there are many exceptions to economic explanations (see the sections that follow), they do provide us with one of several useful approaches to understanding state politics.