

# BIG PICTURE: HOW THE NATIONAL GOVERNMENT INFLUENCES THE STATES

Public demands, policy complexities and electoral politics all put pressures on the national government to expand its powers beyond those in the Constitution. To get the states to do its will, Congress has to decide if it is willing to pay for what it wants, and how much it trusts the states to comply voluntarily.

## FEDERAL FUNDING

### Categorical Grants Strict and specific requirements



Good for congressional credit-taking



Ensures state compliance and policy uniformity



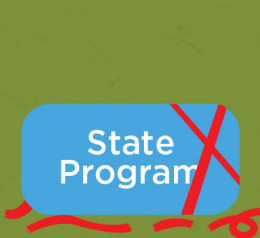
Heavy regulatory burden ("red tape")



National policy requirements may not be appropriate for local conditions

STRINGS ATTACHED

### Block Grants No rules, or broad grants of power within programs



Greater state flexibility



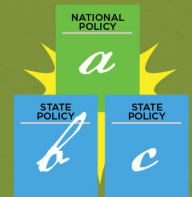
State politicians love money without "strings"



Greater program innovation undermines congressional credit-taking



Grants become highly vulnerable to federal budget cuts



Leads to policy diversity and inequality, meeting state rather than national goals

NO OR FEW STRINGS ATTACHED



#### Categorical Grants *in real life:*

The Environmental Protection Agency makes categorical grant to states specifically to fund state partnerships in enforcing the Clean Water Act, the Clean Air Act, and the Safe Drinking Water Act. States have no flexibility in how to spend the funds they receive from EPA.



#### Block Grants *in real life:*

Since 1974 Housing and Urban Development has offered Community Development Block Grants to local government units of the states to provide affordable housing, deliver services to the disadvantaged and to draw businesses and jobs to poorer urban areas. Communities have a great deal of flexibility in how they use the funds to meet these needs.