

THE RELATIONSHIP BETWEEN THE STATES AND THE FEDERAL GOVERNMENT

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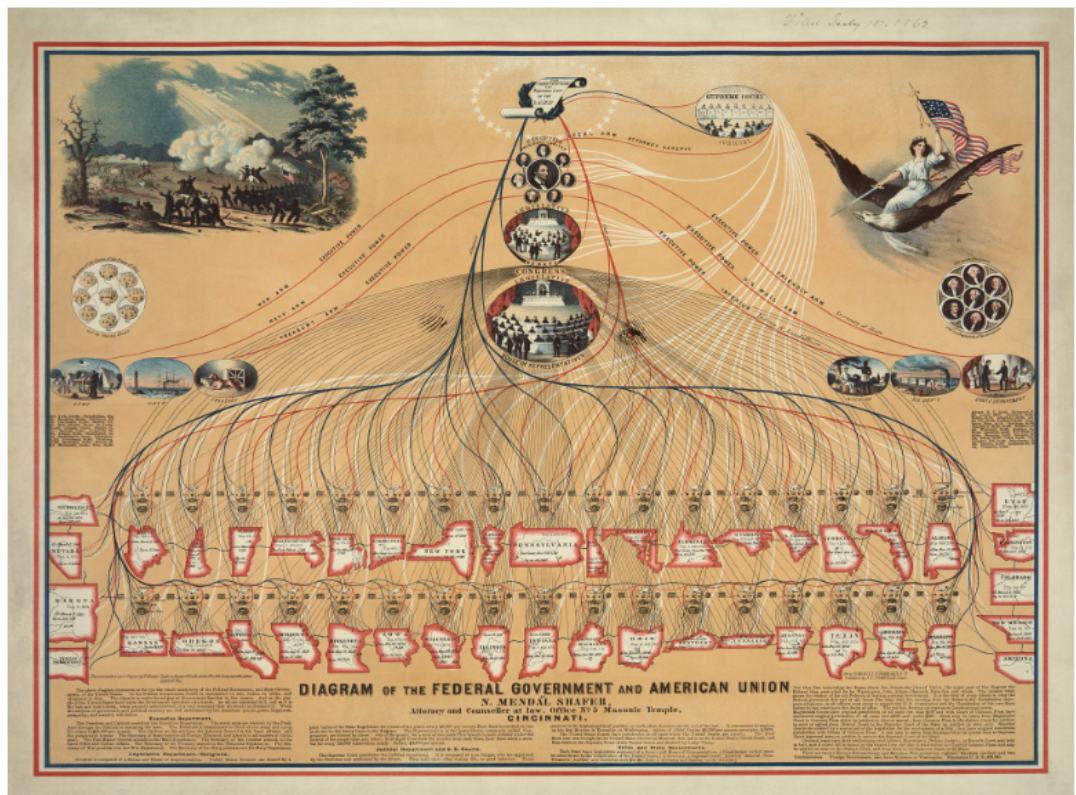
What is federalism?

Before we start talking about federalism, take a moment and see if you can count the number of government entities that have jurisdiction over the place you are right now.

What did you come up with? One? Three? More than that?

Your answer might differ quite a bit depending on where you are. You might be obligated to abide by the laws of your country, your state, your province, your district, your county, your city, or your town. In some countries, a citizen might be governed by three or more layers of government. In others, they might only be governed by a single national government.

In the United States, the two major layers of government are at the state and national levels. This system, where more than one layer of government has jurisdiction over the same territory, is called federalism. Although it seems natural to US citizens that government is divided into multiple layers, in fact, there are only 15 federal republics in the world.



A Civil War-era diagram of federalism in the United States. Image credit: [Wikimedia Commons](#)

In the United States, the federalist system emerged because the states evolved from separate colonies, which had diverse populations and different needs.

The Framers of the Constitution envisioned that state governments, not the national government, would be the main unit of government for citizens on a day-to-day basis.

In some ways, that's still the case. States issue marriage licenses and set the terms for divorce. State governments issue driver's licenses and car registrations. They decide statewide speed limits and inspection requirements for cars.

But the Framers would likely be surprised to discover the extent to which the federal government and state governments are intertwined today. The balance of power between the two levels has varied over time as the needs of society have changed.

Article IV

Article IV of the US Constitution establishes the responsibilities of the states to each other and the responsibilities of the federal government toward the states.

Section 1 of Article IV requires that the states give “full faith and credit” to the public acts and judicial proceedings of every other state. In other words, states must honor each other’s decisions and legal judgments: a person who gets married in one state is still married if they move to another state, and an individual convicted of a crime is still in trouble if they go to another state.

Section 2 stipulates that the citizens of each state are entitled to all “privileges and immunities” of citizens in other states. This means that states can’t treat newcomers worse than their own citizens. For example, the Supreme Court ruled that a California law denying new residents welfare benefits for a year was unconstitutional.

Exclusive, concurrent, and reserved powers

One reason for the ongoing negotiation over the balance of power between states and the federal government is their exclusive and concurrent powers. Exclusive powers are those powers granted only to the federal government and reserved powers are those powers granted only to the state governments. Concurrent powers are powers shared by the federal government and the states.

EXCLUSIVE FEDERAL POWERS	CONCURRENT POWERS	RESERVED STATE POWERS
Coining money	Taxation	Conducting elections
Regulating interstate and foreign commerce	Lawmaking and enforcement	Establishing local governments
Regulating the mail	Chartering banks and corporations	Providing for public safety, health, welfare
Declaring war	Taking land for public use (eminent domain)	Maintaining militia
Raising armies	Establishing courts	Ratifying Constitutional amendments
Conducting foreign affairs	Borrowing money	Regulating intrastate commerce
Establishing inferior courts		
Establishing rules of naturalization		

Only the federal government can coin money, regulate the mail, declare war, or conduct foreign affairs. These powers make a lot of sense: imagine if Wyoming could declare war on Canada, or Michigan could coin the Michigan Dollar. The exclusive powers of the federal government help the nation operate as a unified whole.

The states retain a lot of power, however. States conduct all elections, even presidential elections, and must ratify constitutional amendments. So long as their laws do not contradict national laws, state governments can prescribe policies on commerce, taxation, healthcare, education, and many other issues within their state.

Notably, both the states and the federal government have the power to tax, make and enforce laws, charter banks, and borrow money.

The changing distribution of power between states and the federal government

As we noted above, the balance of power between states and the federal government has changed a great deal over time. In the early United States, the division between state powers and federal powers was very clear. States regulated within their borders, and the federal government regulated national and international issues.

But since the Civil War in the 1860s, the federal government's powers have overlapped and intertwined with state powers. In times of crisis, like the Great Depression, the federal government has stepped in to provide much-needed aid in areas typically controlled at the state level.

Although the general trend has been toward an increase in federal power, the states have also pushed back. For example, in the 1995 case *US v. Lopez*, the Supreme Court ruled that the federal government had overstepped its bounds by claiming the authority to ban guns from school grounds under the Commerce Clause. Because guns on school grounds aren't related to interstate commerce, the Supreme Court ruled the gun ban unconstitutional.

One way that the federal government can influence the states is through the distribution of grants, incentives, and aid. State and local governments are eager to obtain federal dollars, but many of those dollars come with strings attached. Categorical grants from the federal government can only be used for specific purposes, and frequently include nondiscrimination provisions (saying that the distribution of the funds cannot be for purposes that discriminate against women, minorities, or other groups).

The federal government can also pass unfunded mandates that tie federal funding to certain conditions. For example, the National Minimum Drinking Act of 1984 stipulated that states must have a minimum drinking age of 21 in order to receive full federal highway funding.

Not all federal funding is strictly monitored. Block grants are federal grants given to states or localities for broad purposes. The state or local governments can then disburse those funds as they see fit.

Federalism in the United States today is very complex. It's at the heart of many of our controversies of government today, such as who should control healthcare or education policy.