

Chapter 25: Local Government and Finance

Section 3

Lecture Notes

The title 'AMERICAN GOVERNMENT' is centered on the page. 'AMERICAN' is written in a white, serif font with a thin black outline. 'GOVERNMENT' is written in a large, bold, yellow, sans-serif font with a thick black outline. The text is set against a background of a stylized American flag with blue stars and red and white stripes.

AMERICAN GOVERNMENT

PEARSON

► Objectives

1. Explain why State and local governments have a major role in providing important services.
2. Identify State and local services in the fields of education, public welfare, public safety, and highways.

▶ Key Terms

- **Medicaid:** a joint federal and State program that provides medical care and other health services to low-income families
- **welfare:** cash assistance given to the poor
- **entitlement:** a program whose benefits are available to anyone who meets the eligibility requirements

▶ Introduction

- What services do State and local governments provide?
 - State and local governments provide public education and welfare assistance, build and maintain roads and highways, and protect public health and safety.
 - Authorities deliver these services directly through State agencies and through the many forms of local government in each State.

► Education

- Public education is the most expensive item in every State budget.
 - Funding and spending per public school student has increased greatly in the past 25 years.
 - Every State also funds a public higher education system.



▶ Education, cont.

- Checkpoint: What are a State's responsibilities for education?
 - The level of State funding for primary and secondary education varies from State to State. Most funding comes from local property taxes.
 - States set legal guidelines for teacher qualifications, curricula, content standards, educational materials, statewide skills tests, and the length of the school year.

▶ Public Welfare

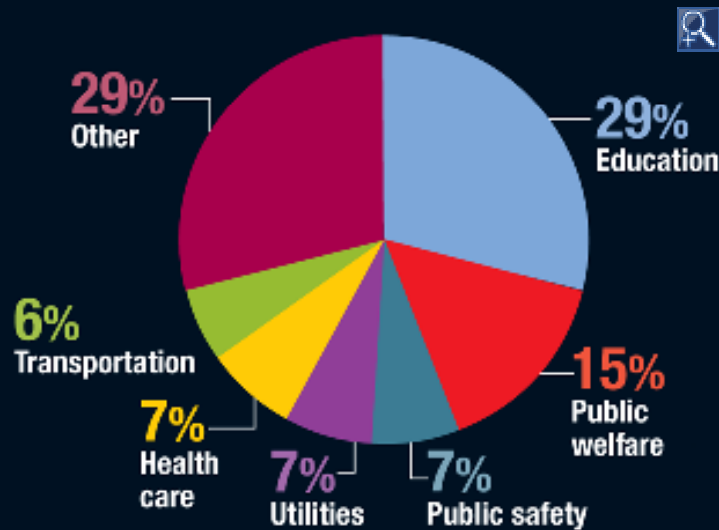
- States pass laws, conduct inspections, and issue licenses to protect the **public welfare**.
- Most States have **public health programs**.
 - States operate public hospitals, immunize children, and help run medical assistance programs for the poor, such as Medicaid.
- States also provide **welfare benefits**.
 - From 1936 to 1996, States shared the cost of the Aid to Families with Dependent Children welfare program with the federal government.

▶ Public Welfare, cont.

- In 1996, the Federal government began the **Temporary Assistance to Needy Families (TANF)** program.
- Under TANF, each State receives a fixed amount of money each year to spend on welfare benefits.
- No one can receive more than five years of benefits and recipients must work or take part in vocational training or community service.
- The number of people on welfare has dropped, but States face a challenge helping those who remain.

State and Local Spending

How are the different responsibilities of State and local versus the Federal Government reflected in these categories of spending?



▶ Public Safety

- Each State has a variety of police forces that preserve law and order.
 - State police patrol roads and highways.
 - In rural areas, they may be the primary police force or provide key support to local law-enforcement agencies.
- Each State also operates corrections facilities, which hold convicted criminals.
 - More than 2.5 million people are in jail, more than half in State prisons.

▶ Prisons

- Prison populations are growing, leading to overcrowding.
 - This is due to an increase in the number of people convicted of violent crimes and the longer length of the average prison sentence.
- State corrections spending has more than doubled in the past 20 years to over \$40 billion.
 - As a result, many States are hiring private contractors to operate prisons.

► Highways

- The federal government shares the cost of major highway projects, such as Boston's Big Dig, with the States.
- The largely federally funded Interstate Highway System began in 1956 and is nearing completion today.



▶ Highways, cont.

- The interstate highway system makes up only some 45,000 miles of more than 4 million miles of American roads.
- Many roads are built and maintained with State funds.
- State and local governments also ensure public safety on the roads.
 - They license drivers, patrol the roads, set speed limits, and inspect vehicles.

▶ Review

- Now that you have learned about how State governments raise money to pay for services, go back and answer the Chapter Essential Question.
 - How local should government be?