A Glossary of the 'New Federalism'

New Federalism has almost as many definitions as it has advocates and critics.

As it has evolved under the Nixon administration, it is a dual system. One part calls for redistributing revenues and power from the federal government to the states and local government. The other involves reorganizing the federal bureaucracy to make it both more responsive and more regional. The idea behind this attempt to emphasize local government while deemphasizing the federal bureaucracy was expressed in a single sentence in Mr. Nixon's 1971 State of the Union message:

"The idea that a bureaucratic elite in Washington knows best what is best for people everywhere and that you cannot trust local government is really a contention that you cannot trust people to govern themselves."

The Nixon brand of New Federalism contains at least these elements:

General Revenue Sharing—Under legislation approved by Congress last year, the nation's 38,000 units of general purpose government (mostly cities and counties, plus the 50 states) will receive payments for the next five years based on their population, general tax effort and relative income. The payments total $30.2 billion over a five-year period with the states receiving one-third of the money. Spending for local governments is limited to nine broad areas, with education excluded. States may spend their share of the money on virtually anything except to match federal grant-in-aid programs, a restriction that also applies to local governments.

Special Revenue Sharing — The President has proposed lumping together funds for a number of broad general purposes and distributing them to state and local governments with minimal restriction. They would replace a number of categorical grant programs now in operation. In 1971 the President asked for six special revenue-sharing bills covering urban development, rural development, transportation, education, law enforcement and manpower training.

At present, the administration has submitted three special revenue-sharing bills to Congress, covering community development, law enforcement and education. It is seeking to create what amounts to a manpower revenue-sharing program through administrative changes in existing programs. All of these efforts have run into serious controversy. No special revenue-sharing bill has ever passed Congress as such, but the existing Law Enforcement Assistanct Act (LEAA) is widely considered a restrictive form of special revenue sharing.

Federal Regional Councils—Far less publicized than the administration's revenue sharing proposals has been the decentralization within the federal government itself. The most important element of this decentralization has been the strengthening in decision-making authority of Federal Regional Councils, which include seven federal agencies operating in each of 10 regional offices in Boston, New York City, Philadelphia, Atlanta, Chicago, Dallas, Denver, San Francisco, Seattle and Kansas City, Mo. The theory behind regional councils is that bureaucrats who are closer to the state and local governments can develop greater sensitivity to the needs of the people.

Intergovernmental Cooperation—Regional councils in most areas of the country now have the authority to comment on any federal or federally assisted project under the authority of a directive known by its Office of Management and Budget number—A-95. In some regions this authority has been expanded to provide a wide variety of information to local governments on federal grant-in-aid programs. The Department of Housing and Urban Development program known as "planned variations" gave 20 cities among the 147 participating in the Model Cities programs the opportunity for review-and-comment on all federal projects. But planned variations expires on June 30 and will not be renewed.

Administrative Changes—Federal departments have been given uniform regional boundaries. Processing time for grants-in-aid has been reduced and regulations simplified. Additionally, such programs as HUD's "annual arrangements" have allowed more than 80 cities to consolidate the loans they received under six different urban development programs into a single program—in reality a rudimentary form of revenue sharing.

There are various less classifiable administration programs that also fall broadly under the New Federalism heading. Among these is the extension to states of greater welfare options by the Department of Health, Education and Welfare and the Department of Transportation's unsuccessful attempt to open the highway trust fund—a move that would free gas tax funds for regional transportation uses.