Who Decides?

How federal and state roles in public assistance changed

USG.C.3.4.F "Evaluate changes that have occurred in the relationship between the states and the national government over time (e.g., cooperative federalism versus new federalism/devolution)."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline places where the national government and states share responsibility, circle places where states gain more choice, and number the years in order to trace the change.

Changing Rules for Helping Families

1. Imagine a parent seeking health care for a child. In 1965, Congress created Medicaid, a program funded jointly by the national government and the states. Federal law set broad eligibility and coverage rules, while states ran the program and made choices within those rules. The national government paid a share of each state's costs, so more state spending on covered services could bring more federal funding. This is an example of cooperative federalism: both levels of government help finance and shape a service. Yet their roles were not identical. Federal conditions limited state choices, and state decisions meant families could face different rules across state lines.

2. In the early 1980s, President Ronald Reagan pushed for a different balance. In 1981, Congress combined several federal social service programs into the Social Services Block Grant. States received a set federal allocation rather than a federal match for each eligible expense. They had more room to decide which services to support, including child care or services for older adults. Supporters said state officials could respond to local needs without following as many federal instructions. Critics warned that a set allocation might not grow when more people needed help. This shift toward greater state discretion is often called new federalism.

3. A later change brought the debate closer to families receiving cash aid. In 1996, a federal law replaced Aid to Families with Dependent Children, which had provided matching federal funds under federal rules, with Temporary Assistance for Needy Families, or TANF. TANF uses a federal block grant, giving states more control over how to spend federal funds and set many program rules. This transfer of authority is called devolution. But it did not end the national role: federal law still requires states to meet work participation targets and limits how long federal TANF funds may support many recipients. Meanwhile, Medicaid still relies on shared funding.

2 ANSWER WITH EVIDENCE

Use the passage

1. Why is Medicaid in 1965 an example of cooperative federalism rather than a program run by only one level of government?

2. How did the 1981 Social Services Block Grant change both federal funding and state decision-making compared with the Medicaid approach?

3. How did the 1996 change from Aid to Families with Dependent Children to TANF shift authority, and what national limits remained?

4. A student says, “New federalism meant states could better meet local needs, with no possible downside.” Evaluate this claim using the 1981 example.

3 YOUR TURN

Your own words

Imagine Congress creates a program to help communities offer after-school tutoring. In four or five sentences, propose how the national government and states would share funding and decisions, compare your plan with one approach in the passage, and explain one benefit and one risk of your choice.

ANSWER KEY

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PART 1 · READ AND MARK

Underline places where the national government and states share responsibility, circle places where states gain more choice, and number the years in order to trace the change. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Why is Medicaid in 1965 an example of cooperative federalism rather than a program run by only one level of government?	**Federal law set broad rules and the national government shared costs, while states ran Medicaid and made choices within those rules.**
2	How did the 1981 Social Services Block Grant change both federal funding and state decision-making compared with the Medicaid approach?	**States received a set federal allocation instead of matching funds for eligible expenses, and they gained more choice about which services to support.**
3	How did the 1996 change from Aid to Families with Dependent Children to TANF shift authority, and what national limits remained?	**TANF gave states more control over spending and many program rules, but federal law still set work participation targets and limits on the length of federally funded assistance for many recipients.**
4	A student says, "New federalism meant states could better meet local needs, with no possible downside." Evaluate this claim using the 1981 example.	**States gained room to choose services that fit local needs, but critics warned that a set allocation might not grow when more people needed help.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

I would have the national government match state spending on after-school tutoring and require programs to serve students from low-income families. States would choose tutoring sites and set schedules that fit local needs. Like Medicaid, this plan shares costs and decisions instead of giving states a set federal allocation. Matching funds could help a state expand tutoring when demand rises, but states with less money to spend might struggle to claim as much federal support.