Kestenbaum Commission and its successors – statutory purposes and activities

Introduction

Federalism as a multifaceted phenomenon is deeply considered in a worldwide academic research. The notion of federalism and a federal state have been defined from a variety of perspectives because the diverse planes have been taken into account. With the development of the European Union the studies on federalism have quickened their pace, despite the fact that presumably the European Union is reaching a crisis in the context of „Brexit”, and some voices concerning the unequal treatment of the members are heard. Along with the development of international and supranational organizations it has became an attractive theory. It is analyzed in the context of the challenges of modern ecology\(^1\), or the impact on overcoming the financial crisis in the world. The questions concerning the effects of federalism on the development of democracy and the protection of human rights are being raised. Federalism, due to its essence, has become a source of interdisciplinary research, emphasizing not only its theoretical but also practical dimension.

The modest scope of the article does not allow the exhaustive treatment of the subject, therefore, the present work is of contributory character. American federalism related literature is impassive because the academic research on the subject is multidimensional\(^2\). My focus is on the development


and significance of the Kestenbaum Commission and the U.S. Advisory Commission on Intergovernmental Relations – the federal bodies, which were established in the United States in order to examine the functions of the federal government, and to work out some specific programs of recommendations.

In the beginning, characterization and the activities of the Commission on Intergovernmental Relations will be presented. The second part of the publication will be devoted to the ACIR – the U.S. Advisory Commission on Intergovernmental Relations, and one of its reports – the 37-th Annual Report of 1996 – will be taken into consideration, as there are depicted in it the main activities of the Commission.

The Commission on Intergovernmental Relations

In the United States after World War II there were huge demands for the development, economic expansion, education, and other improvements. The governments of the states were not efficiently equipped to meet these demands. A lot of state legislatures were part time and unstaffed. There were a lot of issues, which absorbed the state administrative bodies. Industry after wartime production was converting into the direction of domestic consumption. The federal government, being involved in many new fields of governmental activity, put some efforts into establishment of new federal aid programs. Being concerned about a new range of federal government activities, President Dwight Eisenhower established in 1953 a temporary study commission. The Commission on Intergovernmental Relations was chaired by Meyer Kestenbaum, therefore, it was commonly referred to as Kestenbaum Commission.

The purpose of the Commission was to study the post-war American federalism and to recommend how the federal government should respond to the new political and economic conditions. The Commission on Intergovernmental Relations worked up to 1955. In 1995 it released the report, in which two main recommendation were proposed. The first was that „the federal government should embark on a program to return back to states full responsibility for at least some (hopefully, many) of these federal-aid programs along with federal revenue resources to pay for them”4. The second forecast was that the permanent Advisory Commission on Intergovernmental Relations should have been established. In the mentioned report of 1955, i.a.,

---

there were taken into account the issues concerning natural resources, their protection and conservation. Despite the fact that specific problems of resource conservation were too numerous for full examination of the Commission, it was agreed that permanent coordinating body in this sphere was needed in order to develop some legislative projects.

The Unites States Advisory Commission on Intergovernmental Relations

The Unites States Advisory Commission on Intergovernmental Relations established in 1959 was a successor to the Kestenbaum Commission. The Commission was an independent agency formed in the U.S. federal government under Public Law 86-300 on the 24-th of September 1959, amended by Public Law 89-733 in November 1966, in order to consider and study the federal government’s intergovernmental relationships, and the nation’s intergovernmental machine. ACIR operated up to 1996.

The body consisted of 26 members who represented the interests of the federal system’s intergovernmental partners in the matters of intergovernmental concern. There were six members appointed by the House and Senate leadership, four state governors, three members of state legislatures, three county officials appointed by the President from nominations by respective national associations of state and local governments, three private citizens, and three representatives of the federal executive branch appointed directly by the President. The Commission members served two-year terms, but there was the possibility of being reappointed.

The mission of ACIR was „to strengthen the American federal system and improve the ability of federal, state, and local governments to work together cooperatively, efficiently, and effectively“. Intergovernmental relations and intergovernmental management were the fields where the Commission was studying: how varied levels of government interacted with one another, and how to define the way they should have interacted with one another in the context of the Constitution. It should be emphasized that in-

---

9 Ibidem.
tergovernmental relations had profound effects on the organization and activities of American self-government bodies, and they also determined an appropriate role for the federal government within the governmental system. ACIR worked with state and local governments in order „to identify emerging intergovernmental issues, trend, and turning points, to stimulate thought about American federalism and intergovernmental relations; to educate leaders and the public about the impacts of intergovernmental reform, and to promote stronger intergovernmental communication, cooperation, and coordination as the critical basis for an effective federal system”

The statutory purposes of the United States Advisory Commission on Intergovernmental Relations were: „to bring together representatives of the federal, state, and local governments for the consideration of common problems; to provide a forum for discussing the administration and coordination of federal grants and other programs requiring intergovernmental cooperation; to give critical attention to the conditions and controls involved in the administration of federal grant problems; to make available technical assistance to the executive and legislative branches of the federal government in review of proposed legislation to determine its overall effects on the federal system”

The aims were also: „to encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental attention; to recommend, within the framework of the Constitution, the most desirable allocation of government functions, responsibilities and revenues among the several levels of government; to recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden on compliance for taxpayers”

The United States Advisory Commission on Intergovernmental Relations thanks to its broad representation was able to develop long-term recommendations and analyses that reflected the diversity and similarity of the federal units. The Commission determined its own agenda taking into account the experience of its members, contacts within the federal system as well as suggestions from public officials, the groups of citizens, and current issues in intergovernmental relations

---

10 Ibidem.
11 Ibidem.
12 Ibidem.
The 37-th Annual Report January 1996

A vivid illustration of the United States Advisory Commission on Intergovernmental Relations could be the 37-th Annual Report January 1996. In accordance with the Report of 1996, the United States Advisory Commission on Intergovernmental Relations met five times in 1995 to recommend improvements in federal-state – relationship. The Commission's 1995 achievements were highlighted under the four headings: strengthening the federal system, managing federal aid, balancing public finances, and promoting democracy abroad. The principal work of the Commission was flowing through three stages: research undertakes at the direction of ACIR, policy recommendations made by ACIR, and communication of these policy recommendations to the relevant federal, state and local officials and public. Among the other undertakings, for example, in January 1995 ACIR adopted The Resolution on Strengthening the Intergovernmental Partnership, a report and recommendations on reforming unfunded federal mandates, considered a new Issue Brief on medical aid, and authorized publication of Information Report on a state tax and expenditure limits on local governments. On the 14-th of January ACIR passed a resolution urging all the partners in the federal system to „seize this unprecedented opportunity to achieve better balance of responsibilities and resources among federal, state, and local governments, and strengthen the intergovernmental partnership” with actions on federal mandate relief, safeguards and assurances against shifting federal responsibilities to state and local governments without their consent, reforming the federal grant system, maximizing essential federal field services to state and local governments, and exempting state and local officials from the Federal Advisory Committee Act.

14 For more about the work of the Commission in 1966, see B.D. McDowell, Advisory Commission on Intergovernmental Relations in 1966..., pp. 111–128.

15 In 1995, the Commission was composed of: „3 private citizens, appointed by the President without regard to political affiliation; 3 members of the federal executive branch, appointed by the President without regard to political affiliation; 3 members of the United States Senate, appointed by the presiding officer of the Senate on a bipartisan basis; 3 members of the House of representatives, appointed by the Speaker of the House on a bipartisan basis; 4 Governors of states, appointed by the President on a bipartisan basis from nominations by the President without regard to political affiliation; 3 state legislators, appointed by President on a bipartisan basis from nominations by the National Conference of State Legislatures and the Council of State Governments; 5 city mayors, appointed by the President on a bipartisan basis from nominations by the National League of Cities and the U.S. Conference of Mayors; and 3 elected county officials, appointed by the President on a bipartisan basis from nominations by the National Association of Counties”, United States Advisory Commission on Intergovernmental Relations, 37-th Annual Report January 1996, United States Advisory Commission on Intergovernmental Relations Home Page Archive, http://www.library.unt.edu/gpo/acir/Default.html (access: 21.04.2019).

16 Ibidem.
In March 1995 the Commission authorized appointment of a Federalism Committee, to help provide guidance to the Congress and the administration for considering short-term changes in the federal system; it adopted a report and recommendations on strengthening the capacity of metropolitan planning organizations to perform planning and other functions required by the *Intermodal Surface Transportation Efficiency Act of 1991*; it adopted an increased schedule of voluntary financial contributions to ACIR to be requested of the states in future years; it also authorized the staff to prepare two new studies, using funding from the Federal Highway Administration: performance-based management practices for improving intergovernmental service delivery in public works programs, and integration and streamlining of multiple federal requirements for metropolitan transportation planning.\(^{17}\)

In September 1995 the Commission considered preliminary staff findings about high priority existing federal mandates identified by state and local officials, provided guidance to staff for completing the preliminary report, and authorized preparation for a national conference in 1996 to seek greater involvement in mandates and other federalism issues. It also authorized the staff to prepare a study of intergovernmental relationship in wetlands preservation programs. In December 1995 the Commission approved the preliminary budget and proposed recommendations on *The Role of Federal Mandates in Intergovernmental Relations* and it considered but not completed the action on a position regarding the proposed *Local Flexibility and Empowerment Act*, and the draft policy report on performance-based management practices to improve intergovernmental service delivery in public works programs.

In 1995 the *Unfunded Mandate Reform Act* requested the Commission to prepare four studies: a review of existing federal mandates with recommendations for termination, revision or continuation; a review of state mandates; annual reports on judiciary created federal mandates; methods of calculating the costs and benefits of federal mandates. The information was gathered by a variety of methods including literature reviews, consultations with relevant public officials and other experts, hearings and carrying out the field studies. The purpose of research was to provide a solid foundation for Commission policy recommendations. During the „thinkers’ sessions” (at the beginning) and „critics’ sessions” convened to critique the draft report congressional staff members, representatives of appropriate government agencies and public interest groups, members of the academic community, subject specialists, and representatives of civic, research, business, and labor organizations presented their opinions.\(^{18}\)

---

\(^{17}\) Ibidem.

\(^{18}\) Ibidem.
Federal mandate reform was one of the undertakings that ACIR in 1995 was involved. The project had begun in 1994. With the help of the Department of Housing and Urban Development, the Commission adopted a series of recommendations to guide the Congress and published Federal Mandate Relief for State, Local, and Tribal Governments reform in January 1995. The Congress passed mandate reform legislation consistent with the ACIR recommendations. The President of the United States signed it on the 22-nd of March 1995. Unfunded Mandate Reform Act of 1995 assigned to the Unites States Advisory Commission on Intergovernmental Relations the preparation of four studies: annual reports, a review of state mandates, a review of existing federal mandates, and a study of methods for calculating the costs and benefits of federal mandates. Federal Court Rulings Involving State, Local and Tribal Governments: Calendar Year 1994 – the first annual judicial mandates report was published in July 1995. There were more than 3500 opinions on issues raised under more than 100 federal laws. The preliminary review of existing federal mandates was prepared during 1995 and approved by the Commission for public review and comment in 1996.

The Unites States Advisory Commission on Intergovernmental Relations in 1995 continued its support and encouragement for the states by exchanging meeting agendas and publications; supplying information to the Indiana legislature that assisted in converting the state’s ACIR from a limited–membership body established by Executive order to a more fully representative Commission established by legislation; advising the Connecticut ACIR staff on research resources available for a study of central city fiscal disparities and equalization issues; advising the South Carolina ACIR on potential consultants to prepare public works and economic development studies for the state.19

A very important field of ACIR’s undertakings was managing the federal aid. The Commission continued its long–standing studies on the federal aid by publishing: Characteristic of Federal Grant-in-Aid Programs to State and Local Governments: Grants Funded FY 1995 – the source of information about federal grant programs that compiled the types of programs, eligible recipients, formula factors, matching shares, administering agencies and comparisons with previous years; Federal grant profile, 1995: A Report on ACIR’s Federal Grant Fragmentation Index – that clustered federal programs by

functioning groups and showed which groups consisted of larger numbers of smaller programs, compared to other groups with smaller numbers of larger programs; *Block Grants, Federal Aid, and Deficit Reduction* – a quick study aid for persons involved in designing or evaluating block grant and performance partnership proposals, in the light of the effects of the first block grant of 1965\(^{20}\).

**Concluding remarks**

The Kestenbaum Commission and the U.S. Advisory Commission on Intergovernmental Relations played a significant part in the development of American federalism. ACIR balanced public finance by recommending ways to promote intergovernmental fiscal fairness. In September 1995 the Commission published *Significant Features of Fiscal Federalism*. The first volume contained the descriptions of the budget process of the 50 states, and volume two contained intergovernmental revenue and expenditure tables\(^{21}\).

It is worth mentioning that ACIR was also an agency that had to deal with promoting democracy abroad. It continued to provide selective briefings for foreign visitors interested in learning about American version of federalism. In 1995, ACIR was providing briefings for visitors from Brazil, Canada, China, South Africa, Japan, and some European countries (including Poland). In addition to preparing and publishing public reports, the United States Advisory Commission on Intergovernmental Relations organized public hearings, conferences connected with key intergovernmental issues, provided speakers for public academic meetings, and supplied information to individual agencies, public officials and citizens\(^{22}\).

To summarize, the United States Advisory Commission on Intergovernmental Relations thanks to its broad representation was able to develop long-term recommendations and analyses that reflected the diversity and similarity of the federal units. The Commission determined its own agenda taking into account the experience of its members, contacts within the federal system as well as suggestions from public officials, the groups of citizens, and current issues in intergovernmental relations. The Commission during


the second part of the 20th century played a unique part in monitoring the U.S. federal system as well as in identifying and highlighting emerging issues, and conveying regularly federal, state, and local government officials to consider the means of organizing the system to work better\textsuperscript{23}.

\section*{References}


\section*{Summary}

\textbf{Kestenbaum Commission and its successors} – statutory purposes and activities

\textbf{Key words:} intergovernmental relations, advisory commission, federal agency, state administration, federal administration, natural resources.

With the development of the European Union the studies on federalism have quickened their pace, despite the fact that presumably the European Union is reaching a crisis in the context of „Brexit”, and some voices concerning the unequal treatment of the members. Along with the development of international and supranational organizations it has became an attractive theory. It is analyzed in the context of the challenges of modern ecology, the impact on overcoming the financial crisis in the world. The question of the-

\textsuperscript{23} See also the attitude of J. Kincaid, \textit{The U.S. Advisory Commission on Intergovernmental...}, pp. 181–189.
effects of federalism on the development of democracy and the protection of human rights are raised.

The purpose of the article is the identification of the activities of the Kestenbaum Commission established in 1953 and the U.S. Advisory Commission on Intergovernmental Relations established in 1959. They both played a significant part in the development of American federalism. ACIR thanks to its broad representation was able to develop long-term recommendations and analyses that reflected the diversity and similarity of the federal units. The Commission determined its own agenda taking into account the experience of its members, contacts within the federal system as well as suggestions from public officials, the groups of citizens, and current issues in intergovernmental relations. The Commission during the second part of the 20th century played a unique part in monitoring the U.S. federal system as well as in identifying and highlighting emerging issues, and conveying regularly federal, state, and local government officials to consider the means of organizing the system work better.

Streszczenie

Komisja Kestenbauma i jej sukcesorzy – zadania statutowe i działalność

Słowa kluczowe: stosunki międzyrządowe, komisja doradcza, agencja federalna, administracja stanowa, administracja federalna, bogactwa naturalne.

Studia nad federalizmem przybrały na kontynencie europejskim szybsze tempo wraz z rozwojem Unii Europejskiej, która zdaje się obecnie przechodzić kryzys w kontekście brexitu i głosów państw członkowskich o nierównym traktowaniu. Federalizm stał się również atrakcyjną teorią w związku z rozwojem innych organizacji międzynarodowych oraz ponadnarodowych. Analizowane jest jego znaczenie dla wyzwań współczesnej ekologii, wpływu na przezwyciężenie kryzysu finansowego na świecie. Podejmowana jest jednocześnie kwestia, jakie są skutki federalizmu dla rozwoju demokracji i ochrony praw człowieka.

Celem artykułu jest identyfikacja działań utworzonej w 1953 r. Komisji Kestenbauma (The Commission on Intergovernmental Relations) oraz Amerykańskiej Komisji Doradczej ds. Stosunków Miejsko-społecznych (The U.S. Advisory Commission on Intergovernmental Relations), która powstała w 1959 r. Organa te odegrały znaczącą rolę w rozwoju amerykańskiego federalizmu. ACIR dzięki szerokiej reprezentacji był w stanie opracować długo-terminowe rekomendacje i analizy odzwierciedlające różnorodność i uwzględniające podobieństwa poszczególnych stanów. Komisja nakreśliła swój własny
program, biorąc pod uwagę doświadczenia swoich członków, kontakty w systemie federalnym, a także sugestie urzędników publicznych, grup obywateli i bieżące problemy w stosunkach międzyrządowych. ACIR w drugiej połowie XX w. odegrał wyjątkową rolę w monitorowaniu amerykańskiego systemu federalnego, a także w identyfikowaniu pojawiających się problemów oraz regularnym przekazywaniu informacji na poziomie federalnym i stanowym w celu rozważenia modyfikacji organizacji systemu federalnego i zwiększenia jego efektywność.