

## The Challenge

As Supreme Court Justice Anthony Kennedy observed in 1995, "Federalism was our Nation's own discovery. The Framers split the atom of sovereignty. It was the genius of their idea that our citizens would have two political capacities, one state and one federal, each protected from incursion by the other." The Constitution gave the federal government the power to coin money, conduct war, regulate foreign and interstate commerce, and levy taxes, while the powers reserved to the states extended to "all the objects which, in the ordinary course of affairs, concern the lives, liberties and properties of the people, and the internal order, improvement and prosperity of the State."

Federalism's role as a core organizing principle for American governance has been reaffirmed many times by all three branches of government—changing and evolving over the last two hundred years. It's progressed from a system of co-equal levels of government to one where federal mandates on states and local governments are more the norm than the exception.

Most scholars and citizens would agree that America's current system of government provides accountability and integrity while providing states with the freedom to experiment and innovate new solutions to the nation's public policy challenges. While innovation remains been a critical piece of the federal—state partnership, federal preemption and mandates have increasingly stymied state efforts to innovate.<sup>2</sup>

### **The Council**

To address these challenges and restore balance to the federal-state relationship, the Bipartisan Policy Center launched the Governors' Council. The council brings pragmatic state-based perspectives to the forefront of the national policy agenda. Comprised of former state leaders, the council has been successful in forging relationships with federal decision-makers to tackle several complex and pressing challenges, including the Workforce Investment Act, forming a caucus of former governors in the Senate, and reforming the HHS waiver process.

<sup>&</sup>lt;sup>2</sup> Bipartisan Policy Center. Making Federalism Work: The Governor's Council Medicaid Recommendations. May, 2013. Available at: https://bipartisanpolicy.org/library/making-federalism-work-governors-council-medicaid-recommendations.



<sup>&</sup>lt;sup>1</sup> U.S. Term Limits, Inc. v. Thornton, 514 U.S. 779 (1995)

## **Governors' Council Members**



**Governor Mike Beebe** Former Governor of Arkansas (D)



**Governor Christine Gregoire**Former Governor of Washington (D)
Former Chair of the National Governors' Association



**Governor Steve Beshear** Former Governor of Kentucky (D)



**Governor Dave Heineman**Former Governor of Nebraska (R)
Former Chair of the National Governors' Association



**Governor Jim Douglas**Former Governor of Vermont (R)
Former Chair of the National Governors' Association



**Governor Linda Lingle** Former Governor of Hawaii (R)

## **Current and Potential Areas for Future Initiatives:**

## Workforce and Higher Education Reform

Governors are frustrated when potential new businesses proclaim the state lacks qualified workers despite billions of dollars spent on both higher education and workforce training programs.

#### Medicaid

One of the key drivers of increasing state Medicaid expenses is dual eligible individuals—those eligible for both Medicaid and Medicare. Yet if states innovate to find cost-savings, those savings return in full to the federal government. The complicated waiver process makes addressing this population even more challenging.

#### Rural Economies

Many of those living in rural parts of the country are being left behind by an economy increasingly driven by internet access. Governors across the country have prioritized helping bridge the financial divide between urban and rural populations.

## Middle Class Relief

Middle class families are struggling. The economic recovery has been slow to help those trying to raise families while stagnating in their careers. Many governors are trying to advance agendas that would help middle class families but are finding too often is that the federal government is a hindrance to their efforts.

## Regulatory Impacts

States are significantly impacted by federal regulation from both an implementation and a compliance perspective.

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#### About BPC

The Bipartisan Policy Center is a non-profit organization that combines the best ideas from both parties to promote health, security, and opportunity for all Americans. BPC's approach of rigorous analysis and respectful negotiation produces politically viable policies that have real impact. What sets BPC apart from other think tanks is that we bring together all sides, regardless of party affiliation, position, or perspective, when tackling a problem. That cornerstone principle was established by BPC's founders: former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole, and George Mitchell.

