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Book Review of
The Federal Design Dilemma: Congress and Intergovernmental Delegation, by Pamela J. Clouser McCann

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Federalism—perhaps to no one’s surprise—has been at the center of ongoing attempts to repeal and replace the Affordable Care Act (ACA). During both the House and Senate debate over the legislation, Republicans repeatedly sold the repeal bill in part by using what is by now a stock phrase: “returning power to the states.” Yet on closer inspection, this choice of words was an odd one. Not only does the ACA give states a primary role in implementing new individual-market insurance exchanges, many of the most important functions of insurance market regulation were both developed in collaboration with state insurance commissioners and implemented by the states. In what sense, then, could Republicans credibly promise to “return power?” And why would they make delegation to the states a selling point of the legislation?

In this superb book, Pamela J. Clouser McCann attempts to distill the essence of such decisions, which concern the delegation of authority to states and the national executive branch. While formal-theoretical studies of

legislative delegation to the bureaucracy have blossomed since the 1990s, principal agent models of delegation have virtually ignored the significant role that state governments play as sites of authority in American government. In this sense, McCann's book represents a significant departure from the *status quo ante*. While several prior studies analyze patterns of intergovernmental delegation, *The Federal Design Dilemma* is the first to motivate such empirical analysis with a sophisticated formal-theoretical account of how federalism shapes the process of legislative bargaining (Krause and Bowman 2005; Nicholson-Crotty 2008; Chatfield and Rocco 2013).

In Chapter 2, McCann presents two theoretical models of how Congress allocates implementation authority to the federal government and the states. The first model considers the intergovernmental delegation dilemma in aggregate and suggests that the pivotal voter's choice in allocating authority depends on the relative distance between her policy preferences, those of the national government, and those of her home state. Consider the example of a pivotal Republican legislator deciding how to allocate authority to the states and the national government when a Republican president is in office. What matters, McCann suggests, is the party of her home state governor. When that governor is a Democrat, she will prefer to delegate authority to the national executive branch. When that governor is a Republican, however, she will be indifferent between delegating to the executive branch and the states.

As in other models of delegation, the identity of the pivotal legislator matters a great deal. Yet it is here that McCann's second model—a bargaining game—makes a significant contribution by providing insight into which legislators will become pivotal in the process of intergovernmental delegation. The author conceptualizes potential pivotal voters as part of an intergovernmental "team." In other words, the intergovernmental delegation preferences of a Democrat will vary depending on whether her home state governor is also a Democrat. McCann then shows that the theoretical substance of coalition building among such intergovernmental teams is quite different depending on legislative decision rules and on control of national governing institutions. Winning coalitions in the House of Representatives include only members of the majority party who have strong preferences about intergovernmental delegation. In the super-majoritarian Senate, however, minority party legislators are included in all winning coalitions. Just which minority party members become pivotal, however, depends on the control of Congress and the White House.

To test the implications of these theoretical models, McCann mines a rich set of quantitative data on the intergovernmental delegation structure in significant reforms passed by Congress in the latter half of the twentieth century. This analysis is helpfully complemented by a qualitative case study of the politics of intergovernmental policy design during the passage of the ACA.

With a few exceptions, the quantitative data validate the book's theoretical framework. Chapter 4 offers several innovative tests of the coalition building model. Here there are particularly important implications for theories of "pivotal politics," as McCann shows that when intergovernmental delegation is on the table the identity of the filibuster pivot is contingent on her membership in the pivotal intergovernmental "team."

The aggregate model of intergovernmental delegation is tested in Chapter 5. Here, the evidence is mixed. The author finds support for the claim Congress delegates less authority to state governments as the distance between the preferences pivotal legislator and her home state governor increases. Yet increasing distance between the pivotal legislator and the national government does not result in a corresponding increase in delegation to state governments. There are a number of potential reasons for this null result. It could be the case that intergovernmental policy is not uniformly important to policy bargaining across all the cases in the dataset. For some major reforms, such as those that simply reorganize executive branch agencies, intergovernmental policy structure may either be irrelevant to the deliberations or kept off the agenda by

interest group mobilization or committee gatekeeping. Another contributing factor could be the secular trend toward greater delegation to the executive branch described in Chapter 3 (p. 93).

In at least two respects, this book's findings raise important questions for future scholarship on the contemporary politics of intergovernmental delegation. First, the book's model of bargaining presumes a super-majoritarian Senate in which the minority party matters. As the current debate over repealing and replacing the ACA suggests, however, unorthodox policy-making via the budget reconciliation process can transform the Senate into something resembling a majoritarian body. Second, recent evidence has emerged to suggest that the two major parties are not mirror images of one another, as McCann's theory implies. As Grossmann and Hopkins (2016) show, the Democratic Party has evolved into a loose coalition of group interests as an ideologically motivated organizational cadre has come to dominate the Republican Party. Given that the Republican Party's organizational cadre has built an especially deep bench at the state level, it seems unlikely that Republicans will be likely to centralize authority during the present period of unified government (Skocpol and Hertel-Fernandez 2016).

As scholars investigate the implications of such trends for the politics of federalism, McCann's book will likely remain a theoretical and empirical touchstone. With a combination of theoretical deftness and empirical precision, McCann shows that federalism is more than a constitutional terrain or a mere series of "venues" in which political actors can seek to shift authority. Rather, federalism is fundamental to policy bargaining in Congress. As such, *The Federal Design Dilemma* warrants attention far beyond the community of federalism scholars. Indeed, it should be read by anyone with an interest in the politics of policy-making in the United States.

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