Universalism, Program Development, And the Distribution Of Federal Assistance

This article treats universalization as a dynamic process encompassing the administration of programs within the political context of a policy subsystem. An analysis of federal mass transportation programs from 1965 through 1986 finds that subgovernment actors worked to broaden authorized programs and create related programs to serve an original core clientele and newer peripheral constituencies.

There is considerable disagreement over whether universalism drives distributive politics. Some studies have found that many types of federal assistance, such as river and harbors projects (Maass 1951; Wilson 1986) and omnibus public works bills (Ferejohn 1974), have widespread support in Congress and benefit many districts. Other studies find that only a few programs distribute benefits to a large majority of districts (Gramlich 1977; Bickers and Stein 1990). Anton, Cawley, and Kramer (1980) found that only 13% of federal programs benefitted every state in fiscal years 1975 and 1978. Many federal aid programs are small, obscure, and narrowly distributed. Legislative support for programs and the geographical distribution of their assistance is not universal.

This article reconciles this inconsistency in the literature by portraying universalism as a process that unfolds within the political context of a policy subsystem, which itself plays a role in assembling legislative coalitions. I test the model with a case study of federal mass transportation assistance from 1965 through 1986 and find support. Finally, I assess the extent to which universal legislative support for
mass transportation assistance came at the expense of serving the core mass transportation clientele.

Dynamic Universalism

The federal aid allocation literature suggests that universalism may be achieved through two processes. The first process begins when single programs are authorized, usually addressing needs that are not geographically dispersed; the supporting majorities for these programs are small, spending is modest, and the program benefits few congressional districts. The legislation authorizing new programs, however, is often little more than a blank page. Agency personnel who administer new programs can interpret eligibility liberally (Anton 1989; Rich 1989) and set decision rules for processing grant applications strategically. Over time, the geographical allocation of assistance expands, and so does legislative support for the program. Still, the geographical distribution of a problem or need inevitably limits the amount of support which may be generated from broadening a program, however loosely Congress has defined its purpose.

In a second process, which Stein and Bickers (1991) call bundling, the agency's enabling legislation puts together a package of programs that meets the needs of a diverse clientele. When Congress reauthorizes existing legislation, agency managers and program clientele work to refocus existing programs and to enact entirely new programs. This process broadens the agency's constituency and creates a portfolio of programs addressing a variety of similar yet distinct needs. Successful packages assist both the original core clientele and newer peripheral constituencies.

In sum, Congress is likely at first to enact programs that are small and that benefit few congressional districts. If outside demands for program assistance can be generated and met, small-sized, minimum-winning coalitions that were put together to support the initial program may eventually develop into oversized or even universalistic coalitions as program benefits in some form become widely available to all types of jurisdictions. The inherent geographical limitation of most needs has an important effect. Groups of related programs, rather than single programs, can distribute assistance broadly enough to sustain universal legislative coalitions. In the next section, we analyze the formulation and allocation of mass transportation policy from 1964 through 1986, as a test of the dynamic universal model.
The Origins and Evolution of Federal Mass Transportation Programs

From modest origins, federal mass transportation assistance evolved into a collection of programs that benefitted over 400 congressional districts annually by the 1980s. The discretionary capital program and the formula operating assistance program provided most of the almost $4 billion allocated (see Figure 1). Congress also funded programs for technical assistance, research, development, demonstration projects, training activities, planning, and technical studies and for elderly, handicapped, and rural constituencies, but at significantly lower levels (Urban Mass Transit Administration 1983). A well-executed allocation strategy and the enactment of additional assistance programs enlarged the support and distribution of mass transportation assistance to universal proportions.

Program Broadening

Transit interests had considerable difficulty getting federal involvement. The first program, passed in 1964, reflected mass transit's limited geographical appeal (Danielson 1965). The margin of voting support for the 1964 act in both houses was small: 52 to 41 in the Senate and 214 to 190 in the House (Hansen 1969). Program authorizations were modest. The bill authorized only $75 million for the first fiscal year and $150 million for the following two (Smerk 1974). Barely a hundred districts received mass transportation assistance over these years.

This article argues that program administrators play an important role in universalizing federal discretionary assistance programs. I expect to find that bureaucratic agents actively sought to expand the scope of mass transportation assistance. Indeed, agency officials accomplished much of the early expansion by strategically allocating capital grants to increase the geographical scope of mass transit assistance.

It is clear that the agency officials intended to build a large congressional constituency. The Secretary of Transportation, John Volpe, commented before the Senate Banking and Currency Committee in 1969, "I think that the program thus far has succeeded remarkably well in preserving transportation systems in smaller cities that would otherwise have been lost. It generally is not understood that the largest number of grants has been made to smaller cities. . . . We have made grants to 84 cities of less than 250,000 and we have made grants
FIGURE 1
Program Shares of Annual Appropriations

Source: Data provided by the Urban Mass Transportation Administration.

to 150 cities with populations between 250,000 and one million. Of course, larger grants are made to larger cities because most urban people live in the larger cities (Subcommittee on Housing of the Committee on Banking and Currency 1970, 135–36).

Officials of the Urban Mass Transportation Administration (UMTA) expanded the geographical coverage of the capital grant program, in part, by assisting new recipients each fiscal year. Figure 2 displays the number of congressional districts benefitted by discretionary capital assistance each year from 1965 through 1984, the number assisted for the first time in each year, and the cumulative number assisted at least once over the previous four fiscal years. While the number of obligations made each year was quite modest, 155 districts were assisted by 1970; 65% benefitted only once during the period 1966–70.

The steady accumulation of first time awards for capital assistance increased the number of districts that had benefitted at least once
FIGURE 2
Districts Benefitting from Discretionary Capital Assistance Program

Source: Analysis of data provided by the Urban Mass Transportation Administration.

to over 200 districts by 1973 and to over 300 districts by 1974. Over this time, the margin of support for mass transportation in the House grew as well. While the original enabling legislation passed by a margin of only 53%, the 1966 legislation passed with 64% of the vote, and the 1970 and 1973 reauthorization bills with 95% and 92%, respectively.3

The fact that the enabling legislation provided for capital assistance instead of operating assistance helped this strategy of building congressional support succeed. Operating assistance for services creates political liabilities: when the assistance is withdrawn, local political officials must either divert resources from other areas or reduce the quality of the service, thereby earning the opposition of those who had benefitted from the service (Brown, Fossett, and Palmer 1984, 108-163). By contrast, an agency does not have to provide capital assistance to the same recipients every year; the benefit continues in the form of new structures and facilities, and agencies
Program Bundling

Federal transportation assistance also became universalized through program bundling. When the time came for Congress to reauthorize mass transportation legislation, political forces converged to create new programs and redefine existing ones that increased the geographical coverage of mass transportation assistance. Table 1 shows that reauthorization legislation added research, development, demonstration, and training programs in 1966 and a major formula assistance program for capital and operating assistance in 1974. In 1978, Congress approved a rural formula assistance program and created new tiers in the formula program for the largest urban areas and for small cities. In 1982, in the depths of recession, Congress established a new formula program for capital and operating needs; the complex, three-tiered formula allocated assistance on the basis of population, population density, and factors representing service and ridership.

Bureaucratic aspirations and changing clientele needs, among other factors, resulted in the adoption of the formula program in 1974. The Arab oil embargo and the resulting energy crisis, in particular, increased mass transit’s appeal to Congress. With newly acquired allies, the transit lobby successfully blocked renewal of the highway trust fund in 1972. In return for transit’s support of the 1973 Highway Act, highway support helped boost transit authorizations substantially, and the local matching share for capital assistance was lowered to 20% (Smerk 1974).

The new formula program that Congress enacted in 1974 distributed assistance based on population and population density, changes that had particular consequences for the evolution of mass transportation assistance. On a per rider basis, the formula favored transit riders in smaller cities. The new formula program also provided recipients the choice of receiving operating or capital assistance. Peripheral constituents were less able than their big city counterparts to absorb massive infusions of capital (Jones 1985). Once local public agencies bought out small private operators or replaced the buses of small city lines, their need for capital assistance diminished. However, these systems had a continuing need for operation subsidies. These subsidies and the new formula met the needs of middle-sized cities and
<table>
<thead>
<tr>
<th>Year</th>
<th>New Programs</th>
<th>Changes in Existing Programs</th>
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<tbody>
<tr>
<td>1964</td>
<td>Discretionary capital assistance</td>
<td>Added multiple year commitments in capital assistance program</td>
</tr>
<tr>
<td>1966</td>
<td>Discretionary technical assistance and demonstration</td>
<td>Raised federal share in capital assistance program to 80% percent</td>
</tr>
<tr>
<td>1970</td>
<td>Discretionary managerial training</td>
<td>Created three tiers in formula assistance that earmarked small communities for the first time and reserved a greater proportion of funds for the largest systems</td>
</tr>
<tr>
<td>1973</td>
<td>Interstate trade-in assistance</td>
<td>Phased out previous formula program</td>
</tr>
<tr>
<td>1974</td>
<td>Formula capital and operating assistance (Sec 5)</td>
<td>Lowered federal share of capital assistance to 75% and restricted funding to major capital expenses not covered under the new formula program</td>
</tr>
<tr>
<td>1978</td>
<td>Formula rural assistance</td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>Block grant formula assistance program for capital and operation expenses (New Sec 9. The new formula was based on population, population density, and factors representing service and ridership.)</td>
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ensured that the federal government would continue to allocate assistance to the peripheral constituencies.

I assessed how the 1974 program changes affected the number of congressional districts benefitting annually from assistance. The following interrupted times series equation was estimated for the period 1966–86:

\[ \text{TOTDIST} = \text{constant} + (\text{dummy variable for before and after the enactment of the formula program}) + (\text{trend variable}) + (\text{post-program enactment trend variable}) + (\text{error term}). \]

The dependent variable is the total number of districts benefitting from either or both major forms of transit assistance. The dummy variable for before and after the enactment of the formula program is coded 0 for the years before 1974 and 1 for 1974 and each subsequent year. This variable tests for the immediate impact of the adoption of the formula program and shows its short-term effect.

The two additional independent variables help assess the long-term effect. Trend is a counter variable coded 1 through 20 for each data point, and its coefficient gives the slope of the regression line before the adoption of the formula program. The postenactment trend variable is coded 10 through 21 for those years following the implementation of the program. Its coefficient, when added to the coefficient of the trend variable, can show whether transportation assistance benefitted more or fewer congressional districts after enactment of the formula program.

Ordinary least square techniques were used to estimate the equation. The results are reported in Table 2. The equation accounted for practically all of the variance in the number of districts assisted, with an adjusted R-square of .95. All the independent variables were statistically significant at the .05 level.4

The short-term impact of the formula program is dramatic: the regression coefficient shows that an additional 130 districts benefitted after the formula program was enacted. While the rate of increase levels off markedly afterwards, the number of congressional districts assisted each year continues to increase, and this substantial impact is sustained over the remainder of the period analyzed. The combined value of the trend and postenactment trend variables is 6.28; before enactment of the formula program, their combined value was 21.

Through 1986, transit expenditures kept pace with the increasing geographical scope of transit programs. The correlations
TABLE 2
Interrupted Time Series Analysis of the Impact of the Formula Program Upon the Total Number of Congressional Districts Funded
(standard errors in parentheses)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficients</th>
</tr>
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<tbody>
<tr>
<td>Formula Program Adoption</td>
<td>130</td>
</tr>
<tr>
<td></td>
<td>(27)</td>
</tr>
<tr>
<td>Trend</td>
<td>21.17</td>
</tr>
<tr>
<td></td>
<td>(3.86)</td>
</tr>
<tr>
<td>Post-trend</td>
<td>-15</td>
</tr>
<tr>
<td></td>
<td>(4.8)</td>
</tr>
<tr>
<td>Constant</td>
<td>-10.72</td>
</tr>
<tr>
<td></td>
<td>(22.46)</td>
</tr>
<tr>
<td>Corrected R²</td>
<td>.95</td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.79</td>
</tr>
<tr>
<td>F</td>
<td>101.3</td>
</tr>
<tr>
<td>Sig F</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>20</td>
</tr>
</tbody>
</table>

between the number of congressional districts benefitted and the level of program obligations is .94 and statistically significant at the .01 level. By the 1980s, the discretionary capital and formula assistance programs together attained universalistic proportions benefitting upwards of 400 congressional districts annually (see Figure 3).5

**Universalism and the Allocation of Federal Mass Transportation Assistance**

Seeking both to build legislative support and to effectively subsidize the most deserving recipients presents program administrators with a conundrum. They may become less able to assist recipients who are most in need as they spread resources geographically to develop a larger constituency.6 If this tradeoff does characterize the process of universalization, we would expect to see the share of total assistance received by the core constituency decline as appropriations and the geographical coverage of mass transportation assistance increase.

The analysis above has shown that UMTA officials initially adopted an allocation strategy—the discretionary capital pro-
gram—to meet the needs of a broad constituency. However, after 1974, UMTA redirected the discretionary capital assistance to meet the needs of the core clientele, funding major modernization and system extensions in New York City, Boston, Baltimore, and Chicago. The agency also provided grants to build entirely new rapid rail transit facilities in Atlanta and Miami.

The average per capita benefits of discretionary assistance (reported in Table 3) shows this heavy investment in the rail systems of core constituents rather than in bus systems in the 1970s and early 1980s. Clearly, core districts served by transit systems incorporating rail technologies (the original advocates for federal assistance) received the lion's share of discretionary capital assistance in per capita terms.

This concentration on core constituents followed the earlier strategy of directing discretionary assistance to peripheral constituenc-
TABLE 3
Average Dollar Per Capita Shares for Districts
with or without Rail Technology, 1966-86

<table>
<thead>
<tr>
<th>Period</th>
<th>Technology</th>
<th>Rail</th>
<th>Nonrail</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-74</td>
<td>Discretionary Capital</td>
<td>$13.29</td>
<td>$.37</td>
</tr>
<tr>
<td>1975-82</td>
<td>Discretionary Capital Formula</td>
<td>23.20</td>
<td>3.37</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10.00</td>
<td>5.00</td>
</tr>
<tr>
<td>1983-86</td>
<td>Discretionary Capital Formula</td>
<td>15.00</td>
<td>1.60</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15.00</td>
<td>5.40</td>
</tr>
</tbody>
</table>

Source: Data provided by Urban Mass Transportation Administration.

...
1978 and subsequent formulas continued to ensure that the largest urban systems would not completely monopolize funding at the expense of middle-sized and small city transit systems. This practice of balancing and fitting the needs of different constituencies continued with the adoption of new formulas in 1982 (Stanfield 1983).7

Differences in the transit systems of the core and peripheral constituencies helped UMTA to broaden support in Congress on the one hand and to direct increasing amounts of capital funds to core constituents on the other. In mass transportation, peripheral support was relatively cheap, since bus technology cost considerably less than rail technology. This distinction holds in some other federal assistance programs; for example, federal programs for helping local governments comply with federal wastewater standards must support more expensive technologies in large cities than in small ones. However, there are federal programs in which the per capita cost of assisting additional recipients is fairly constant. For instance, providing primary health care to a larger population generally requires only that more doctors, nurses, and clinics be put in place to serve larger constituencies. Here the technologies are the same for all recipients and the cost of building peripheral support correspondingly higher.

The evolution and refocusing of mass transportation assistance which took place over the years are evident in Table 1. Some changes helped make transit assistance more attractive and applicable to a broader constituency. For instance, legislation in 1973 raised the federal matching share for capital assistance from 75% to 80% of the cost of the project. Later changes refocused and narrowed the geographical scope of certain programs to suit the changing needs of different constituencies. In 1982, new legislation earmarked one cent of the newly raised gasoline tax for funding the original capital program, whose purpose was narrowed to fund nonroutine modernization, extensions, and construction of rail transit systems, as well as bus needs not met by the formula program established in 1982.

So each major federal mass transportation assistance program tended to benefit different constituencies over the time examined here. The discretionary capital program funded major modernization and new construction projects in the original core constituencies and was eventually designated exclusively for that purpose in 1982. The formula program provided operating assistance to peripheral constituencies, which they needed far more than capital assistance once their immediate capital needs had been met.

Figure 4 shows the extent to which these two assistance programs benefitted different constituencies. From 1974 to 1982, the for-
Federal Assistance

FIGURE 4
Number of Congressional Districts Benefitting by Different Programs

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>Formula Only</td>
</tr>
<tr>
<td>1970</td>
<td>Both Programs</td>
</tr>
<tr>
<td>1972</td>
<td>Total Number of Districts Benefitted</td>
</tr>
<tr>
<td>1974</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td></td>
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<tr>
<td>1980</td>
<td></td>
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<tr>
<td>1982</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td></td>
</tr>
</tbody>
</table>

Source: Analysis of data provided by the Urban Mass Transportation Administration.

The origins and evolution of federal assistance programs are of theoretical interest because they verify how universalistic coalition
building occurs over collections of programs and over successive program authorizations. The impetus and management of program expansion comes from administrative managers as well as from conscious agreement, tacit reciprocity, or consent among legislators. The findings presented here lend empirical support to formal models of legislative coalition building, such as Shepsle and Weingast's (1981), which predict that the geographical scope of federal assistance and legislative support will expand over time. They also reaffirm that universalism is an important condition for sustaining expensive assistance programs. However, to the extent that formal models conceptualize the process statically or limit themselves to decisions of support for single programs, they fail to model universalization as it actually takes place in Congress and the broader subgovernment environment.

Finally, the analysis demonstrates the importance of evaluating federal assistance as bundles or administrative packages. If only the discretionary capital program had been studied, the analysis would have incorrectly assessed the tradeoffs commonly attributed to universalism. Instead, this article views targeting within the context of all transit assistance programs, particularly the major formula programs for capital and operating assistance. We found that different mass transportation constituencies are segregated to a considerable extent into different programs (the big city rail systems into the capital program, the middle-sized bus systems into the formula program, rural areas into the rural assistance program). Program administrators and coalition leaders administer a portfolio of programs, each best suited to the needs of a different constituency. Mass transportation assistance is distributed universally only if we consider these programs collectively.

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NOTES

1. In this article, universalism refers to unanimous or near unanimous legislative support for a program and to inclusive or nearly inclusive benefit to all congressional districts from the program. Formal theorists have hypothesized that uncertainty (Weingast 1979; Shepsle and Weingast 1981) and constituent preferences for district-specific programs (Niou and Ordeshook 1985) lead to universal policy making whenever conditions of distributed costs and geographically allocated benefits are present.

2. For example, studies have found that bureaucrats give preference to constituents of legislators sitting on the program's oversight committees (Rundquist and Ferejohn 1975), as well as to supporters and opponents of the program (Rich 1989).
3. While the data indicate that the size of voting coalitions supporting major reauthorization legislation is related to the distribution of transit grants, they do not allow us to determine the extent to which yes or no votes for major authorization legislation are related to whether or not a district benefitted from transit assistance.

4. The Durbin Watson statistic, computed as a check for autocorrelation, was 1.79, indicating \( p = 0 \) at the .05 level of confidence. The lower and upper bounds for the Durbin Watson statistic for sample sizes of 20 and for 3 independent variables are 1.00 and 1.68, when a first-order autoregressive error structure is assumed. See Neter and Wasserman 1974 and Durbin and Watson 1951.

5. The number of congressional districts assisted each year is derived from grant data supplied by the Urban Mass Transportation Administration. Those data are used with UMTA system directories and the Congressional District Atlas for appropriate periods. A district is coded as receiving assistance if the transit system of a public body within its geographical boundaries received an obligation in the fiscal year.

6. For an example of how broadening assistance to obtain legislative support impeded the ability to target assistance effectively, see Arnold's (1979) account of the formation, adoption, and implementation of the model cities program.

7. In two, two-hour interviews I conducted on March 18, 1988, the associate administrator and an assistant in UMTA's Office for Grants Management acknowledged that the benefits to rural and small urban areas were important in maintaining congressional support. For further accounts of the intentions of subgovernment actors in the establishment and maintenance of mass transportation assistance programs, see Hamman 1988; Jones 1985, ch. 7; Smerk 1974.

REFERENCES


