

Under our federal Constitution, state governments are empowered to do anything not specifically forbidden in the Constitution, but the federal government is empowered to do only those things specifically authorized. For example, states cannot coin money or conduct foreign affairs, but they have broad authority to protect the public health and welfare and maintain the peace.

State government directly affects peoples' lives in many ways. Mainly, states exercise what is called the "police power," which means the state protects the safety and health of its citizens, and protects property as well. Most of the time the state acts in concert with the federal government and with local governments to perform its duties.

The state determines what acts are crimes and operates the court system that handles most of the serious criminal cases. The state runs the prison system. The state courts also hear most claims for damages or cases involving contracts.

Public education is one of the largest expenditures of state government. Local governments run the public schools, but the state supplies most of the money, and the state sets minimum standards for education. The state directly operates the University of Wisconsin system and other institutions of higher learning.

The state also has a primary concern with the physical and mental health of its residents. The state sets guidelines for county health departments and cooperates with the national government on disease prevention and control.

The state works to preserve the environment and keep a balance of natural resources. It sets hunting and fishing seasons and bag limits, and it grants hunting and fishing licenses for a fee. The state also guards against air and water pollution by setting minimum standards for air and water quality and prosecuting violators.

State government designs and maintains highways and other transportation systems. States do this in concert with the federal and local governments.

The state, in cooperation with the federal government, regulates the insurance, banking, and public utilities industries. With various tax credits and direct money grants, the state encourages economic development and runs programs to improve housing.

The state keeps a national guard, which is a state military organization reporting to the governor.

At the state level, the legislature sets tax rates for the sales tax and the state income tax. Local governments set property tax rates, and in some cases, collect local sales taxes.