



Public Policy



Public Policy



- ✦ What is Public Policy?
- ✦ Issues that attract the serious attention of public officials
- ✦ Linkage institutions are the political channels through which the public's concerns become political issues on the public policy agenda
- ✦ A government's policy agenda changes regularly and the items on the policy agenda may take years to be acted upon.
- ✦ Not all policy issues will be addressed by the government
- ✦ Political issues arise when people in government disagree about a problem and how to best solve it.

1. Agenda Setting

Public attention focuses on a public problem or issue. Officials' words and actions help focus attention.

2. Policy Formulation

Policy makers in the legislature and the bureaucracy take up the issue. They create legislative, regulatory, or programmatic strategies to address the problem.

3. Policy Adoption

Policy makers formally adopt a policy solution, usually in the form of legislation or rules.

4. Policy Implementation

Government agencies begin the job of making the policy work by establishing procedures, writing guidance documents, or issuing grants-in-aid to other governments.

5. Policy Evaluation

Policy analysts inside and outside government determine whether the policy is addressing the problem and whether implementation is proceeding well. They may recommend **REVISIONS** in the agenda, in the formulation of policy, or in its implementation.

REVISION

REVISION

Policy Making



- ✦ Policy-making involves two stages—placing an issue on the governmental agenda and deciding what to do about that issue once it is on the agenda.
- ✦ Decision-making requires that a majority coalition be formed. The kinds of coalitions that form will depend in large measure on the nature of the issue, especially the perceived distribution of costs and benefits. We have identified four kinds of coalitions, or four distinctive political processes: majoritarian, client, interest-group, and entrepreneurial.

Costs



- ✦ Any burden (monetary or non-monetary, real or perceived) that a group must bear.
- ✦ Examples
 - ✦ Federal child-care programs (taxes)
 - ✦ Busing to achieve school desegregation (taxes, psychological stress)
 - ✦ Tariffs (higher prices for goods)



Benefits



- ✦ Any satisfaction (monetary or non-monetary, real or perceived) that a group will enjoy from a policy.
- ✦ Examples
 - ✦ Federal child-care programs (lower child care costs for parents)
 - ✦ Busing to achieve school desegregation (improvement in opportunity greater racial harmony)
 - ✦ Tariffs (more jobs for workers , more profits for businesses)



Cost-Benefit Analysis



- ✦ Costs and benefits can either be widely-distributed (to many, most or all citizens) or narrowly-concentrated (for a relatively small number of citizens or groups).
- ✦ Examples
 - ✦ Widely distributed costs: income tax, Social Security tax, farm subsidies
 - ✦ Narrowly concentrated costs: factory air emission standards, higher capital gains taxes for the wealthy, gun control regulations
 - ✦ Widely distributed benefits: Social security benefits, strong national security, clean air and federal highways
 - ✦ Narrowly-concentrated benefits: farm subsidies, tariffs, exemption from antitrust legislation.

Four types of Policies (Coalitions)

Something for
EVERYONE!

✧ Majoritarian Policies

- ✧ Involve widely distributed costs and widely distributed benefits
 - ✧ Examples: Social Security, National Defense

✧ Analysis:

- ✧ Usually not dominated by interest groups: virtually everyone benefits from these so interest groups do not use their scarce resources to lobby for policies that will benefit everyone. Interest groups will benefit whether or not they devote resources to lobbying-→lack of an incentive to participate
- ✧ When a policy is adopted and people are convinced that benefits are worth the cost, debate ends and the program tends to steadily grow, perhaps even becoming a 'sacred cow' that the gov't does not touch (Social Security)

Interest Group Policies



- ✦ Involve narrowly concentrated costs and narrowly concentrated benefits
- ✦ Examples: tariffs, antitrust exemptions
- ✦ Analysis
 - ✦ These tend to be fought over by interest groups: the affected parties are small enough and the potential benefits are great enough, to warrant interest group participation.



Client Policies

- ✦ Involve widely distributed costs and narrowly concentrated benefits
- ✦ Examples: Farm subsidies, airline or trucking regulations, pork barrel bills

- ✦ Analysis

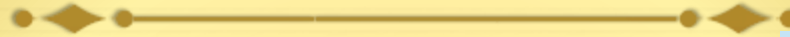


- ✦ Strong incentive for interest groups for participate. They will receive the benefit but the cost will be spread out to everyone
- ✦ Since costs are so widely distributed and therefore relatively small to each consumer, cost payers are sometimes unaware that they are even paying a cost (e.g. dairy subsidies)
- ✦ Since interest groups benefit so much from these, they are said to be a client of the related federal agency

Entrepreneurial Policies

- ✧ Involve narrowly concentrated costs and widely distributed benefits
- ✧ Examples: consumer product safety legislation, ending farm subsidies, deregulation
- ✧ Analysis
 - ✧ Strong incentive for potential cost-paying group to participate
 - ✧ Prospective beneficiaries may find widely distributed benefits too small to work hard for
 - ✧ Because of these, policies of this category are often defeated by the concerted efforts of cost-paying interest groups
 - ✧ Despite this, such policies are from time to time passed through the strong efforts of people who act on behalf of the unconcerned or unaware → these are called policy entrepreneurs (Ralph Nader, lobbied to force the government to set up federal auto safety regulations to decrease deaths from accidents.)

Economic Policy



- ✦ Quick History
- ✦ Laissez Faire in the beginning
- ✦ Consumer Protection of the Progressive Era
- ✦ New Deal → laissez faire was replaced with government interventionism (a much more active role in economy)
- ✦ 1930s-1970s: government regulation especially of economic and social policy
- ✦ Deregulation: mid 1970s to now, a reduction in market controls in favor of more market based competition.

Machinery of Economic Policy Making

- ✦ There is fragmented policy-making that is not under the presidents full control because within the executive branch, numerous organizations influence policy.
- ✦ Congress is most important in economic policy making. It approves all taxes and most expenditures. It consents to wage and price controls. It can influence the Fed by threatening to reduce it powers.
- ✦ However, the president is held responsible for national conditions, even though there are only imperfect economic theories to direct clumsy government tools controlled by divided political authorities. Still, national economic health has powerful effects on election outcomes, as much through people's perceptions of national conditions as from their worries about personal finances.

Economic Indicators



- ✦ There are three kinds of economic indicators:
 - ✦ The economic health of the nation (GDP , GNP)
 - ✦ The amount and kinds of government spending
 - ✦ The level and distribution of taxes
- ✦ Different kinds of politics influence policies for each of these outcomes.

Economic Policy



- ✦ The politics of inflation unemployment and economic growth tend to be majoritarian.
- ✦ However, when economic woes occur in some industries and places, but not in others, the politics of economic health are shaped by interest-group politics.
- ✦ Example: Tariff policies. Firms that import foreign products or sell to foreign nations try to avoid trade restrictions, while firms and unions hurt by foreign competition try to impose such restrictions.

Two Types of Economic Policy

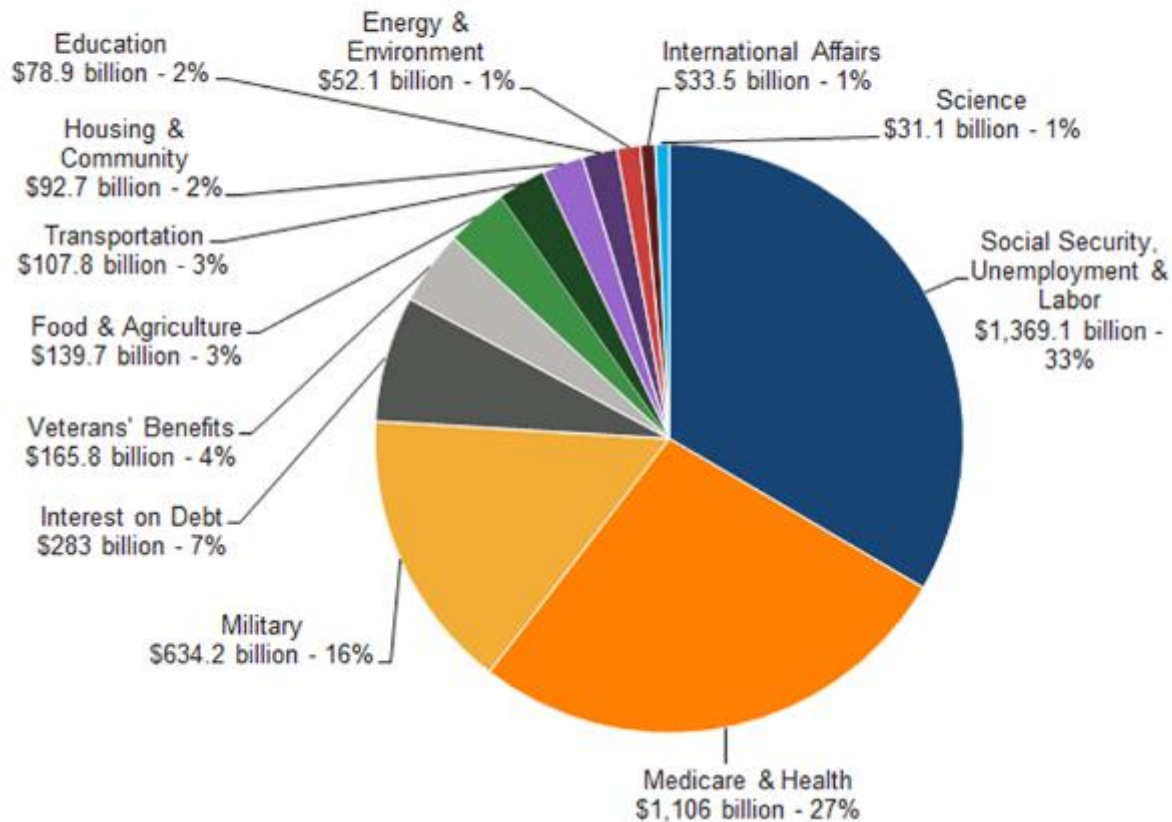
- ✦ Fiscal Policy: Controlled by the executive (proposes the budget) and legislative branches (passes the budget)
 - ✦ The two main tools of fiscal policy are government taxing and spending!
- ✦ Monetary Policy: Regulates the money supply by controlling inflation and adjusting interest rates. Solely controlled by the Federal Reserve Board.
 - ✦ Congress gives the FED sole discretion in monetary policy because:
 - ✦ it is time consuming
 - ✦ It removes politics from monetary policy decisions
 - ✦ Congress and the President can abdicate responsibility for difficult decisions by giving this power out.
 - ✦ the members of the Fed have expertise.
- ✦ Managing the Economy with Fiscal and Monetary Policy

Taxing and Spending

- ✦ Sources of Federal Revenue: In the past: tariffs and excise taxes were the major source of federal revenue. However, today:
 - ✦ Taxes (46%)
 - ✦ Progressive: the more you make the more you pay → income tax
 - ✦ Regressive: impact the poor more. Alcohol tax (the \$2 tax on a 6-pack is felt more by a poor person).
 - ✦ Flat Tax: same rate for all. SS Tax
 - ✦ Corporate Tax (12%)
 - ✦ Social Insurance (36%) SS, Medicare
 - ✦ Excise Tax (2.7%)
 - ✦ Estate Tax (1.2%)
 - ✦ Customs, Duties and Tariffs (1.2%)
- ✦ Federal Spending
 - ✦ Benefit payments to individuals, national defense, health care.

Federal Spending FY 2016

President's Proposed \$4.1 Trillion Total Spending Budget (FY 2016)



The Federal Budget Process

- ✦ Divides spending into two areas: Mandatory and Discretionary.
- ✦ Mandatory: spending programs that happen each year without any Congressional Review.
- ✦ Main Example → Entitlements: federal programs that guarantee a certain level of benefits to persons who meet requirements set by law. They are automatically spent each year without Congressional review.
 - ✦ Social Security, Medicare, federal pensions, food stamps
 - ✦ These account for more than 2/3 of the federal budget each year. It makes it increasingly more difficult to bring the budget into balance.

Entitlements



✧ Positives

- ✧ Provides needed benefits to American citizens
- ✧ Government cannot delay or avoid payment in the budget

✧ Negatives

- ✧ No congressional discretion on money allotted
- ✧ 2/3 of budget
- ✧ Less money left for discretionary spending.

Budget Process



✦ Executive Branch

- ✦ President sends a request to each of the agencies to organize their budgets via the Office of Management and Budget (OMB)
- ✦ Agencies prepare their estimates of budget needs and present them to the OMB. Amount requested is typically based upon the amount granted in the previous year, plus inflation and any additional needs
- ✦ OMB reviews the requests and makes recommendations to the President
- ✦ President reviews recs and then submits a budget to Congress.

Budget Process: Congress



- ✦ The President submits the budget to Congress by the first week in February.
- ✦ The Congressional Budget Office (CBO) provides an independent analysis of the President's budget (serves as a check on the executive power of the OMB!)
- ✦ The CBO then sends their report to both chambers of Congress
- ✦ Budget Committee: sets goals for the Budget
- ✦ Ways and means (only in House): decides how to take in the revenue, i.e. taxes
- ✦ Appropriations: decides how to spend the money and meet the targets.

Budget Process: Congress



- ✦ By October 1, all appropriations bills (i.e. the budget) should be passed with a majority vote in both chambers. If they are not passed Congress has to pass a continuing resolution which says that agencies should run for 30/60 days on last years budget.
- ✦ Overall, Congress is concerned with balancing the idea of a surplus and a deficit. Deficit is NOT DEBT. Debt is what we owe to others, deficit is when we are spending more than we take in.
- ✦ Consequences of large deficits: large amounts of interest, burden passed on to future generations
 - ✦ Taxes can go up, spending can be cut back.
- ✦ Once Congress passes the budget, it goes to the President. He can either sign it or veto the entire set of taxing and spending bills (NO LINE ITEM VETOES). Congress can override a veto with a 2/3 vote in both houses.

Approaches to Economic Policy

- ✦ Keynesian (pronounced Canes-ian) Economics
 - ✦ Government could manipulate the economic health of the economy through its level of spending. In hard times, government should increase spending (even if that means running large deficits → deficit spending) to stimulate economic health. In inflationary boom times, government should decrease spending to cool down the economy.
 - ✦ Most influential during the Great Depression.
 - ✦ Difficulty: once government spending rises, it is politically difficult to cut it.
 - ✦ Economic Crisis of 2008-9 once again led to Congress passing stimulus and bailout packages in order to jump start the economy. KEYNESIAN RESPONSE!

Approaches, con't



✧ Supply-side economics

- ✧ Cuts in taxes will produce business investment that will compensate for the loss of money due to the lower tax rates. Tax rates will be lower, but business will boom, unemployment will go down, incomes will go up, people will invest more and more money will come into the treasury
- ✧ Associated with Reagan (Reaganomics, or trickle-down economics)

✧ Monetarism

- ✧ Monetarists believe that the money supply is the most important factor for determining the economic health of the nation (not fiscal policy like Keynes suggests)
- ✧ Thus the Fed can tighten up money supply through adjusting interest rates to reduce inflation or it can loosen up money supply to stimulate the economy.

Modern Approaches

- ✦ The push for a balanced budget amendment
- ✦ High deficits have led some to believe that Congress needs to be 'tied down' to a constitutional amendment that would require that spending not exceed income.
- ✦ Supporters say that this is the only way to end the spending bias of Congress and the only way to overcome the political difficulties of cutting spending
- ✦ Opponents say that such an amendment would be messing with the Constitution just bc we can't seem to get our act together, that it would decrease needed flexibility in times of crisis, and that Congress would figure out a way of evading the amendment anyways.
- ✦ Proposed in Congress in 1992, but voted down by the House
- ✦ Line Item Veto could preclude the need for such an amendment bc the President could go through a budget and eliminate wasteful spending with the stroke of a pen!

Government Regulation and Deregulation of Business

- ✦ Background: Rules imposed by government on business to achieve some desired goal. (e.g. clean air regulations on factories, protection of wetlands and fragile environments, safety regs in coal mines)

History of Government Regulation

- ✦ Industrial Era of the late 19th/early 20th century had produced a number of ill side effects of capitalism
 - ✦ Growth of abusive monopolies and oligopolies that unfairly drove out competition
 - ✦ Atrocious working conditions
 - ✦ Unsafe and unhealthy products (the Jungle, Silent Spring)
 - ✦ Business bribery of politicians
- ✦ Growth of such abusive practices by monopolies led to anti-trust policy. Didn't mean that all monopolies were bad, the policy was merely to regulate or break up the abusive ones and restore competition
 - ✦ Sherman Antitrust Act 1890
 - ✦ Clayton Act 1914
 - ✦ Federal Trade Commission Act, 1914
 - ✦ Development of other regulatory commissions: FCC, SEC

Recent Developments



- ✦ FTC and Antitrust Division were intentionally understaffed by Reagan and Bush to discourage excessive antitrust activity
- ✦ Corporate mergers have exploded in recent years with little response from the Federal Govt.
 - ✦ Antitrust lawsuit against Microsoft was an exception
- ✦ Businesses claim that with such strong foreign competition, they need to consolidate in order to be competitive.
- ✦ Fiscal Crisis of 2008-9 led many to call for more regulations especially in the world of banking and finance.

The Debate over Regulation

✧ Arguments in Favor

- ✧ Prevents unhealthy monopolies and oligopolies that existed during the IR
- ✧ Protects consumers from unsafe and unhealthy products
- ✧ Protect consumers from unsafe practices (limiting pilot hours in airlines)
- ✧ Protects workers from unsafe conditions
- ✧ Protects those who lack strong voice in government (the poor, small businesses)

✧ Arguments Against

- ✧ Not needed-market forces will compel businesses to work for the benefit of consumers.
- ✧ Regulation is inefficient. Businesses often have to hire additional workers to help them keep track of the regulations which makes US business less competitive with the rest of the world who does not have regulations
- ✧ Regulation kills jobs. Because it lessens our competitiveness with the rest of the world we lose business to other nations.
- ✧ Regulation increases prices. Complying costs \$ and those costs are passed on to consumers
- ✧ Regulations have become increasingly unreasonable, e.g. farmers are denied the use of their land because a rodent on the endangered species list lives there.

Deregulation

- ✦ Deregulation or regulatory reform: cutting back on government regulations
- ✦ Areas that have been deregulated
- ✦ Airlines
 - ✦ Before 1978, the airline industry was pretty heavily regulated. The Civil Aeronautics Board controlled rates and fares to protect the industry from excessive competition. As a result, all airlines charged the same rates and fares
 - ✦ In 1978, Congress passed legislation that led to the phasing out of the CAB and allowed airlines to set whatever rates and fares they wished.
 - ✦ Effects: Due to competition, some airlines went bankrupt. Some smaller cities lost airline service as airlines found it unprofitable to provide service to them. Concerns that airlines cut corners on safety regulations to keep up with competition. Rates and fares went down bc of increased competition.

Deregulation

- ✧ Telecommunications: Telecommunications Act of 1996
 - ✧ Phone cable and other communication companies were allowed to compete in the others' core businesses, e.g. local telephone companies could offer cable tv services
 - ✧ Act also provided for regulation of Internet content (later overturned by the SC)
 - ✧ Act also required that TV makers install a V-chip allowing parents to block objectionable programming.

Evaluation of Deregulation

✦ Positives

- ✦ Restores natural market forces in pricing, efficiency, and resources
- ✦ Encourages competition
- ✦ Encourages technological innovation
- ✦ Prevents government agencies from being 'captured' by the businesses they are supposed to regulate
- ✦ Lower costs for industry, lower prices for consumers

✦ Negatives (refer back to notes on Gov't Regulation of Business)

- ✦ Potential of areas of abuse by companies
- ✦ Due to our federal system, states will continue to regulate business on their own. Could produce even more confusion, instead of companies dealing with one set of federal regulations, if they want to do business in several states, they must deal with all those different sets of regulations.

Environmental Policy

✧ Context of American Environmental Policy

- ✧ Environmental Policy is affected by federalism. There is tension between federal and state government. The latter have an incentive to reduce regulations for fear that business will relocate to other states, while the former may want a uniform policy
- ✧ Key issue has not been whether the environment should be protected, but the extent to which it should be protected and the costs of doing so. Involves a delicate balance because environmental regulation involves so many competing interests:
 - ✧ The public wants a clean environment
 - ✧ Business is concerned about the extent and costs of regulations
 - ✧ Workers are concerned that excessive regulation may lead to loss of jobs e.g. logging restrictions to protect the spotted owl could mean fewer jobs for loggers.

Environment- Conservation

✧ Elimination of Some Monuments?




Key Legislation





- ✦ National Environmental Policy Act of 1969: required environmental impact reports before major construction projects began
- ✦ Air Quality Act of 1967 and subsequent Clean Air Acts: Established emission standards for cars and factories. Clean Air Act of 1990 has especially tough standards to which states must comply.
- ✦ Clean Water Acts of 1970s and 1980s
- ✦ Creation of the Environmental Protection Agency (EPA) 1970
- ✦ Endangered Species Act, 1973
- ✦ CAFÉ (Corporate Average Fuel Economy) standards established in 1975 set standards for average m.p.g. of a manufacturers automobile
- ✦ Creation of the Superfund, 1980, to fund the clean up of toxic waste dumps. Superfund

Environmental issues illustrate all four styles of policy making



- ✦ Entrepreneurial Politics: narrowly concentrated costs and widely distributed benefits. The controversy surrounding global warming and the success of activists seeking to reduce its effects, reveals the workings of entrepreneurial politics. These politics require mobilizing the media, dramatizing the issue, and convincing members of Congress that their reputations will suffer if they do not cast the right vote. To prevent client groups from directing how the laws will be implemented, the bills must be written so that the courts can be used to force action.
- ✦ Example: Clean Air Act: Only businesses paid the costs of installing pollution control devices but everyone benefits from cleaner air.
- ✦ Great opposition from cost payers, but less support from beneficiaries since benefits are perceived as small and many people cannot actually see them.

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- ✧ Majoritarian Politics: widely distributed costs and widely distributed benefits. Examples of these politics include reducing car emissions, raising gasoline taxes, and requiring environmental impact statements. Interest groups tend not to be decisive players. Whether the proposal wins or loses depends on how the public evaluates the costs. Restrictions on the use of private cars and increased gasoline taxes, for example, are not popular, but people do agree to pay them (other options?)

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- ✦ Interest Group Politics: narrowly concentrated costs and narrowly concentrated benefits. two organized groups with a material stake in the outcome fight over who will pay and who will benefit. Ex: building a dump (company benefits, local residents, small #, deal with costs. When confronted with interest-group politics, Congress tends to find workable compromises, rather than passing more sweeping legislation.
 - ✦ Client politics: widely distributed costs and narrowly distributed benefits. An organized group gets a benefit and an unorganized public must pay. Logging in the national forests often generates client politics. These depend on each group having strategically placed allies in Congress and on preempting any effort to generate entrepreneurial politics.

Which is most dominant?



- ✧ Entrepreneurial politics has played the dominant role in most environmental issues. This is because the issues can be portrayed in life-threatening terms, the goals can be related to what most people believe is the good life; and the costs can be minimized, deferred, or placed (seemingly) on small groups. As a result, policy entrepreneurs have been very successful in sensitizing the public to environmental issues, building a momentum into their messages. Also, a variety of public-interest groups have established themselves, each with close ties to the media and each with the ability to threaten recalcitrant legislators.

Social Welfare



- ✧ Welfare policy in the United States can be explained primarily in terms of (1) who benefits, (2) who pays, and (3) citizens' beliefs about social justice. None of these factors is static. Who will benefit from or pay for a program varies as the society and the economy change. Beliefs about who deserves what, similarly, shift with alterations in people's attitudes toward work, family, and the obligations of government
- ✧ The separation of powers and checks-and-balances means that greater political effort and more time will be required for the adoption of new welfare policies. Also, federalism means that the states will play a large role in determining how any welfare program is designed and administered.

Welfare Politics in the US



- ✦ Two main types of Programs
 - ✦ Benefits most citizens, no means test (a test to determine eligibility for aid from the government, based on whether someone possesses the means to do without that help) e.g. Social Security and Medicare
 - ✦ Majoritarian Politics
 - ✦ Questions are about who pays and how much?
 - ✦ Benefits a few citizens, means tested (food stamps Medicaid)
 - ✦ Client Politics
 - ✦ Questions are about legitimacy of the program

Government Subsidies



- ✦ Government Subsidy: Government Financial Support
- ✦ Main Types of Subsidies
 - ✦ Cash (Temporary Assistance for Needy Families TANF)
 - ✦ Tax Incentives (home mortgage interest payments are tax deductible)
 - ✦ Credit Subsidies (Veteran's Home Administration loans)
 - ✦ Benefit-in-kind Subsidies (Non cash benefits, e.g. food stamps, Medicare, Medicaid)

Purpose of Subsidies



- ✦ To encourage a particular type of private sector action
 - ✦ Example: the Government has encouraged home ownership by making mortgage interest tax deductible.
 - ✦ Most people associate subsidies with welfare programs for the poor. However most subsidies actually go to people in the top half of the nations income distribution. Many subsidies in fact go to corporations, leading liberals to criticize such “corporate welfare”. Example: tax breaks for pharmaceutical companies with operations in Puerto Rico.
 - ✦ Many Americans complain about subsidies, but many of them also receive them in one form or another
 - ✦ Once subsidies are established, they are very difficult to get rid of. (E.g.- Social Security → no congressman would vote to eliminate it!)

Subsidies that Promote Commerce

- ✦ Examples of subsidies to business and industry
 - ✦ Oil companies receive tax breaks to encourage oil production and make us less dependent on foreign oil.
 - ✦ Bank and auto company bailout in 2009.
- ✦ Examples of subsidies to Agriculture: the federal government today provides loans and cash payments to farmers and in some cases pays farmers to not grow crops to prevent future surpluses. Criticisms:
 - ✦ They are supposed to help farmers, but much of the subsidy actually goes to huge agribusiness firms leading once again to charges of corporate welfare
 - ✦ Consumers end up paying higher prices for food yet so much of the subsidy goes to agribusiness not small farmers.

Social Welfare Subsidies

- ✦ **Social Security**: for elderly, survivors and disabled. No means test. Financed by Federal Insurance Contribution Act (FICA) payroll tax, 6.2% of your first \$102,000 of earnings.
- ✦ **Medicare**: Federal medical coverage for the elderly. Financed by a payroll tax of 1.45%, no means test.
- ✦ **Unemployment Insurance**: Payments to the unemployed. No means test
- ✦ **Temporary Assistance to Needy Families (TANF)**: Payments to poor families with children. The program that most people are talking about when they discuss 'welfare'. Means test.
- ✦ **Supplemental Security Income (SSI)**: Cash payments to disabled people who income level is below a certain amount. Means test
- ✦ **Food Stamps**: Coupons given to the poor in order to buy food. Means Test.
- ✦ **Medicaid**: federal medical coverage for the poor on TANF or SSI. Means Test.

Two Kinds of Welfare Policies

- ✦ Majoritarian Policies: Everybody benefits from these and everybody pays. They often become very popular and sacred cows (no Congressman would eliminate social security or Medicare!)
 - ✦ Beneficiaries must believe benefits will exceed costs
 - ✦ Political elites must believe in program's legitimacy.
- ✦ Client Policies: Relatively few people benefit but everybody pays (TANF) Temporary Assistance for Needy Families
 - ✦ Programs pass if cost not perceived as great and if client considered deserving .
 - ✦ Aid to Families with Dependent Children: started with the initial SSA in 1935 to give aid to children from low income families. Criticized for offering incentives for women to have children, and for providing disincentives for women to join the workforce. Legitimacy of beneficiaries was questioned. In 1996, AFDC was replaced by the more restrictive TANF.

The Social Security Problem

✧ what is social security?

✧ Demographic Problems:

- ✧ Increasing birth rate during the Baby Boom era
- ✧ Declining birth rate since then
- ✧ Increasing life expectancy especially due to medical improvements
- ✧ When SS began in 1935, there were 16 people working for every SS recipient, today that number is 3. What is now a huge surplus in the SS Trust Fund will decline soon and unless something is done, more money will be going out than coming in.

✧ Potential Reforms

- ✧ Increasing the aged of recipients from 65 to 70
- ✧ Adopting means testing for recipients (do old billionaires really need to collect SS?)
- ✧ Reducing the annual COLA (cost of living adjustment) for recipients
- ✧ Reducing benefits for recipients
- ✧ Increasing the amount of income that is subject to SS Tax
- ✧ Privatizing part of SS deductions, i.e. allowing citizens to earmark part of their SS contributions to their own choices of investments in hopes of earning greater returns.

Welfare has become a huge political issue!

- ✦ Republicans linked the welfare mess to various social problems (higher illiteracy rates, higher rate of single-parent families, higher crime rate, drug problems) They stressed welfare reform.
- ✦ Clinton (D) promised to end welfare as we know it and signed a huge welfare reform bill in 1996 (personal Responsibility and Work Opportunity Reconciliation Act) that was passed by the Republican Congress

Politics of Federal Grants

- ✦ Democrats have generally favored greater funding, but with more “strings” associated with categorical grants
- ✦ Republicans have generally favored less funding but with fewer “strings” associated with block grants. Welfare is an example of this:
 - ✦ End to entitlement status of AFDC and federal guarantee of welfare checks with passage in 1996 of the **Personal Responsibility and Work Opportunity Reconciliation Act** (welfare reform act) => **Temp Asst. To Needy Families (TANF)**
 - ✦ Welfare block grants therefore replaced welfare categorical grants. Even as a block grants, it involved several federal strings:
 - ✦ No fed funds go to those who have not worked w/in 2 years
 - ✦ No fed funds go to recipients who have received fed \$ for >5 years
 - ✦ States must spend at least 75% of what they had previously spent on welfare to avoid complications.

Personal Responsibility and Work Opportunity Reconciliation Act



✧ Highlights:

- ✧ Ended the federal entitlement status of various welfare programs. More State Authority. Funded by federal block grants and matching state funds. (FEDERALISM!)
 - ✧ Limited welfare payments to no more than five years
 - ✧ Welfare recipients must work within two years of applying for benefits
 - ✧ Required Food Stamp Recipients to work
 - ✧ Prohibited Aliens (legal or illegal) from receiving various welfare benefits (later changed so that legal aliens could)
 - ✧ Required teen moms to live with their parents and attend school to receive welfare.
- ✧ Results? Welfare rolls declined by 60% between 1996 and 2004.

Answering Enduring Questions

- ✦ What does “promote the general Welfare” mean? No consensus.
- ✦ How have views of government’s responsibility to aid poor changed over time?
- ✦ Why are some government programs politically protected while others are politically imperiled?
- ✦ Majoritarian programs are protected – debates are about how to sustain benefits.
- ✦ Client politics’ programs may be vulnerable, depending on whether clients perceived to be legitimately deserving. (ex. Medicaid vs. AFDC)

Education Policy



- ✦ Education is largely run by local and state governments.
Impact of the 10th Amendment
- ✦ However, recently federal government has also taken some involvement by attaching 'strings' to federal education grants that they give to states. States don't have to take the money, but if they do, they must comply with those federal requirements.

Important Federal Education Legislation

- ✦ **Head Start Program** for disadvantaged preschool aged children, 1964
- ✦ **Elementary and Secondary Education Act**, 1965: funding for disadvantaged students
- ✦ **Title IX of Education Act of 1972**: banned sex discrimination in federally funded education programs
- ✦ **Individuals with Disabilities in Education Act** 1975
 - ✦ Even though states are not required to participate, the act makes funds available to states that adopt at least the minimum policies and procedures specified in the IDEA regarding the education of children with disabilities
 - ✦ When passed, federal government was supposed to pay for 40% of the cost of educating students with disabilities. However, Congress has yet to provide all of their 40%.

No Child Left Behind



- ✦ An exception to the 'fewer strings' approach by the Republican Party is its support of the NCLB Act of 2002. In order to receive federal funds for education, states must:
 - ✦ Adopt subject matter standards
 - ✦ Test all students in grades 3-8 on those standards
 - ✦ Identify low-performing schools based upon that testing
 - ✦ Require low-performing schools to develop improvement plans
 - ✦ Allow parents of students in such schools that do not improve to transfer to other public schools.

Common Core



- ✦ Common Core is a STATE-led effort that is not part of No Child Left Behind or any other federal initiative. The federal government played no role in the development of the Common Core. State adoption of the standards is in no way mandatory.
- ✦ **Common Core** is a set of academic standards in mathematics and English language arts/literacy (ELA). These learning goals outline what a student should know and be able to do at the end of each grade. These goals include more analysis and application of lessons and concepts and tries to move away from rote memorization.

Health Care Policy



- ✦ Affordable Care Act
- ✦ How does the Affordable Care Act Work?
- ✦ Take NOTES in the space here on the video!

Foreign Policy



- ✦ Foreign policy is a shared responsibility of the President and Congress. System of checks and balances applies
 - ✦ War: Congress Declares, but Pres is Commander in Chief
 - ✦ Treaties: Pres makes them, but Senate ratifies
 - ✦ Appointments Pres makes them but Senate approves them
 - ✦ Despite shared responsibilities, the President is primarily responsible for foreign policy and has extensive support within the executive branch.
 - ✦ US v. Curtiss-Wright (1936): The federal government has unlimited power to conduct foreign affairs and this power lies exclusively with the President

Formal (Const) Powers of President in Foreign Policy



- ✦ Commander in Chief
 - ✦ Power to commit troops
- ✦ Appointment of Ambassadors and foreign policy officials
- ✦ Appointing cabinet officers and administrative agency heads relevant to foreign policy
- ✦ Negotiate/Make treaties
- ✦ Recognition of Nations
- ✦ Receive Ambassadors and other public ministers

Formal (Const) Powers of Congress in Foreign Policy



- ✦ Power of the purse in military/foreign policy matters
- ✦ Confirm Ambassadors and foreign policy officials
- ✦ Declare war
- ✦ Pass laws regarding foreign policy issues
- ✦ Regulate foreign commerce
- ✦ Raise and Support an Army
- ✦ Ratify treaties

Informal Powers of the President in Foreign Policy Making

✧ Executive Agreements

- ✧ Can be entered into unilaterally (i.e. no interference from Congress)
- ✧ Congress must follow what they say



Paris Climate Agreement

✧ Access to Media

- ✧ The president can use his access to the media to appeal to public opinion to persuade the public regarding any foreign policy process or issue. This encourages constituents to apply pressure to their Congressmen.
- ✧ President has more access to information, knowledge and expertise than Congress does.
 - ✧ Can use these resources to persuade Congress via negotiations support or threats
- ✧ Recognized as a global leader
 - ✧ US President is a leader around the world, tends to be listened to.



Limits (informal) on Presidential Power in Foreign Policy



- ✧ Elections matter
 - ✧ Presidents want to seek reelection this goal can shift the agenda or focus of President's term
- ✧ Presidential Approval Ratings
 - ✧ Lower ratings can lead to perceptions of lesser authority or influence constraining the President's ability to implement foreign policy.

Foreign Power Support within the Executive Branch



- ✦ Secretary of State: Cabinet official responsible for foreign affairs.
- ✦ Other Cabinet Officials: Since foreign policy affects domestic policy, other Cabinet officials have some input (Commerce, Treasury, Defense, Agriculture)
- ✦ National Security Council (NSC)
 - ✦ Coordinates policies that affect national security
 - ✦ Members include President, V.P. Secretary of State, Secretary of Defense, CIA head, National Security Advisor and a few others
 - ✦ National Security Advisor (today its H.R. McMaster) has emerged as a key player who sometimes has more influence than the secretary of state. (Henry Kissinger was Nixon's NSA.) President's may rely more upon the NSA because he is literally closer to the President (office in White House) and his loyalties are not divided between the President and a Cabinet Dept.

Foreign Power Support within the Executive Branch



- ✦ Department of Homeland Security: to coordinate anti-terrorism efforts
- ✦ State Department and its Foreign Service: responsible for day to day management of foreign policy
- ✦ Director of National Intelligence: Newer position that has responsibilities for overseeing all 15 intelligence agencies
- ✦ CIA (Central Intelligence Agency): gathers evidence and evaluates intelligence, i.e. information about other nations, after the Cold War focus is on international drug trafficking, terrorism, nuclear proliferation.
 - ✦ Covert operations has led to some concern about government secrecy in a democracy. Led to the creation of intelligence oversight committees in Congress.

Influences on Foreign Policy



- ✦ Public Opinion
- ✦ Interest Groups
- ✦ Foreign Nation Lobbyists
- ✦ Political Parties
- ✦ Congress

Public Opinion



- ✦ Mass public (>75%) relatively unaware of foreign policy except during crisis.
- ✦ Attentive public is aware and interested
- ✦ Opinion makers (media) are very aware and seek to influence the other two 'publics'

Interest Groups



- ✦ Think tanks and Ethnic organizations (American-Israeli PAC, American Arab Anti-Discrimination Committee) will lobby Congressmen during times of major foreign policy decision-making

Foreign Nations' Lobbyists

- ✦ Many nations hire lobbyists to represent their interests in Washington
- ✦ Raises criticism because people do not want our government listening to lobbyists of foreign nations who obviously do not have the best interest of the US in mind.

Political Parties



- ✧ The tradition has been for the US to have a bipartisan foreign policy. i.e. on that is united and not torn apart by party squabbling
- ✧ One united front is much stronger in many ways → embarrassing to government in the eyes of the public if parties are quarreling over details of foreign policy.

Congress

- ✦ Key Congressional checks on powers of the President (funding, war declaration, ratification of treaties, approval of appointments)
- ✦ Key role of Senate Foreign Relations Committee for oversight of foreign affairs.
- ✦ The trend in the 20th century has been to give the President great discretion in the areas of foreign affairs (imperial presidency!); however there have been some notable instances of Congress asserting its authority
 - ✦ Senate blockage of the Treaty of Versailles after WWI
 - ✦ War Powers Act of 1973
 - ✦ Criticism against war in Iraq by 2006 led to Congress passing a bill in April 2007 to set a deadline for withdrawal of US forces from Iraq by 2008
- ✦ However, remember, Congress is often happy to leave war making power to the president for fear of upsetting constituents and risking reelection.

The background is a dense, faded collage of vintage postage stamps and postmarks. Visible elements include a circular postmark from 'PAR AVION' (Airmail) with a date of '10-2-0', a rectangular postmark from 'MADRID' with a date of '10-2-0', and a circular postmark from 'COSTA RICA'. There are also various numbers and text fragments like '100.00', 'POSTAGE', and 'METER' scattered throughout. The overall color palette is warm, with shades of yellow, orange, and brown.

DONE ☺

