



# Politics and Public Policymaking

## IN THIS CHAPTER

**Summary:** Public policy is the method by which government attempts to solve the problems of a nation. Governments are constantly making public policy. Even the decision to keep the status quo is a public policy decision. Public policy is made at all levels of government. Policymaking may be a slow process with only small changes (**incrementalism**) or a major shift from previous policies.

### Key Terms

incrementalism  
agenda setting  
political agenda  
policy formulation  
policy adoption  
policy implementation  
policy evaluation

environmental impact statements  
fiscal policy  
monetary policy  
discretionary spending  
national debt  
federal budget  
social welfare programs

entitlement programs  
fiscal year  
appropriations  
North American Free Trade Agreement (NAFTA)  
mandatory spending  
constitutional law

## The Policymaking Process

The policymaking process involves several steps:

- **agenda setting**—Recognizing an issue as a problem that must be addressed as a part of the political agenda. Problems are often brought to the **political agenda** by citizens, interest groups, the media, or governmental entities.

- **policy formulation**—Finding ways to solve the problem; exploring alternative plans of action and developing proposals to solve the problem.
- **policy adoption**—Adopting a plan of action to solve the problem; may require the passage of legislation.
- **policy implementation**—Executing the plan of action by the appropriate agency or agencies.
- **policy evaluation**—Analysis of policy and its impact upon the problem; judging the effectiveness of the policy and making adjustments if necessary.

## Domestic Policy



Domestic policy often refers to the social policies of the United States in the areas of crime prevention, education, energy, the environment, health care, and social welfare.

### Crime Prevention

Although crime prevention has traditionally been a state and local matter, as crime and violence have increased, the federal government has become more involved in crime prevention. Lyndon Johnson declared a “war on crime,” creating a commission to study the causes of crime and suggest solutions. Today, more crimes are classified as federal crimes, with punishments often more harsh than those for state crimes. Since the shooting of President Ronald Reagan, debate has centered on gun control legislation. President Bill Clinton signed the Brady Bill, requiring a five-day waiting period and background checks before the purchase of a handgun. Clinton also won congressional support of a ban on the sale of some types of semiautomatic assault weapons and legislation authorizing new federal spending on crime initiatives, including the hiring of new police officers and building new prisons and “boot camps” for juvenile offenders. Clinton’s crime bill also listed federal crimes punishable by the death penalty and the “three strikes laws,” mandating certain sentences if convicted of a third felony. As the federal government has become more involved in crime prevention, federal agencies have played a larger role.

- The Federal Bureau of Investigation (FBI) collects and reports evidence in matters relating to federal law or the crossing of state borders; provides investigative and lab services to local law enforcement agencies.
- The Drug Enforcement Administration (DEA) prohibits the flow of illegal narcotics into the United States and patrols U.S. borders.
- The Bureau of Alcohol, Tobacco, and Firearms (ATF) administers laws dealing with explosives and firearms and regulates the production and distribution of alcohol and tobacco products.

### Education

Although public education falls under the authority of the state governments, the federal government has played an increasing role in education. Since the 1950s (*Brown v. Board of Education*, 1954, and the Soviet Union’s launch of *Sputnik*) the major goal of education policy has been to ensure equal access to educational opportunities. Under Lyndon Johnson’s Great Society, Congress passed the Elementary and Secondary Education Act in 1965, providing federal funding to public school districts with low-income populations. In 1979 Congress created the Department of Education to coordinate education policy. Congress has also provided programs for higher education, including loans and grant programs for college students. Recent proposals in education have concerned the use of school vouchers that would allow parents to choose the schools their children attend at public expense, and the national testing of students.

In 2002 President George W. Bush signed a bill called No Child Left Behind. This Act requires all states to administer proficiency tests in public schools in order to monitor student progress. Though the Act has created some improvement in many of America's public schools, many provisions of the legislation remain controversial. President Barack Obama made education a central part of his domestic agenda.

## Energy

Energy policy has traditionally been one of conservation and the study of alternative and renewable sources of fuel. Newer energy policies have addressed issues such as global warming and toxic waste disposal. In 1980 a superfund was established for cleanup of toxic waste sites, and current law provides for the tracking of hazardous chemicals and the disposal of toxic waste. Energy policy often involves highly technical issues about which the average citizen may have limited knowledge. Energy will be an important issue in the coming years.

## The Environment

In the late 18th century, the federal government began setting aside public lands as national parks, monuments, and forests. Not until the 1950s, however, did Congress begin passing legislation aimed at protecting the environment and cleaning up polluted air and water. In the 1970s Congress created the Environmental Protection Agency (EPA) to enforce environmental legislation. The Clean Air Acts of 1970 and 1990 were implemented to reduce air pollution. The Water Pollution Control Act of 1972 was designed to clean up the nation's lakes and rivers. Wilderness areas were established, the Endangered Species Act provided government protection of species listed as endangered, and **environmental impact statements** required studies and reports of likely environmental impacts be filed with the Environmental Protection Agency. President Obama repeatedly promised in the 2008 campaign that this would be a key issue for his administration.

## Health Care

Unlike Canada or Great Britain, the United States has no national health care system, yet the largest percentage of government spending goes to the Medicare and Medicaid programs. Medicare provides hospitalization insurance for the elderly, and Medicaid provides public assistance in health care for the poor. The government operates several programs aimed at promoting and protecting public health in the United States. The Public Health Service, Centers for Disease Control (CDC), Veterans Affairs (VA), and Food and Drug Administration (FDA) are among the agencies involved in promoting public health. Health care was a major campaign issue in the 1992 presidential election, when Bill Clinton campaigned on a plan to address both the high cost of health care and its limited access. Clinton's proposals to reform health care in the United States died in Congress. A controversial national health care program was passed by Congress late in 2009.

## Social Welfare

Social welfare began during the New Deal era. The Great Depression led citizens to want more government help against economic downturns and poverty. The Social Security Act (1935) was a first step in this fight. Lyndon Johnson's Great Society continued the war on poverty by creating new programs (Medicare, school aid, job training) designed to prevent poverty. Housing programs and urban renewal have been implemented with the goal of providing adequate housing for all citizens. In the 1980s Ronald Reagan reduced benefits and

removed people from eligibility in an effort to reform the social welfare system amid claims of increasing government. Bill Clinton continued to bring reform to the social welfare system by limiting how long a person could receive benefits and giving money to the states to run their own programs. In 1996, the entitlement program Aid to Families with Dependent Children (AFDC) was replaced by a new program, Temporary Assistance for Needy Families (TANF). Unlike AFDC, TANF is a block grant that limits recipients to no more than five years of assistance. TANF also requires recipients to work, receive vocational training, or participate in community service.

## Economic Policy

Economic policy can have a profound effect on national elections. The president and Congress are held responsible for the economic “health” of the nation. Economic policy involves improving the overall economic health of the nation through government spending and taxation policies. While Congress and the President are responsible for **fiscal policy**, the government’s taxing and spending policies, the Federal Reserve is responsible for **monetary policy**, controlling the money supply through the banking system.

### Raising Revenue

The government raises revenue through the collection of taxes. The federal government collects individual income taxes, corporate income taxes, social insurance taxes, excise taxes, customs duties, and estate and gift taxes. The government also raises revenue through the sale of government securities by the Federal Reserve and through the collection of fees for services provided, such as patents.

### Government Spending

Government spending may be discretionary or nondiscretionary (mandatory). **Discretionary spending** is spending about which government planners may make choices, while nondiscretionary spending is required by existing laws for current programs. In recent years the percentage of nondiscretionary spending has grown while the percentage of discretionary spending has decreased. Discretionary spending includes defense spending, education, student loans, scientific research, environmental cleanup, law enforcement, disaster aid, and foreign aid. Nondiscretionary spending includes interest on the **national debt** and **social welfare** and **entitlement programs** such as Social Security, Medicare, Medicaid, veterans’ pensions, and unemployment insurance. A large stimulus package was enacted in the first months of the Obama presidency.



### The Federal Budget

The **federal budget** indicates the amount of money the federal government expects to receive and authorizes government spending for a fiscal (12-month period) year. The **fiscal year** for the federal government is from October 1 to September 30. The process of preparing the federal budget takes about 18 months and involves several steps:

- *proposals*—Each federal agency submits a detailed estimate of its needs for the coming fiscal year to the Office of Management and Budget (OMB).
- *executive branch*—The OMB holds meetings at which representatives from the various agencies may explain their proposal and try to convince the OMB that their needs are

justified. The OMB works with the president's staff to combine all requests into a single budget package, which the president submits to Congress in January or February.

- *Congress*—Congress debates and often modifies the president's proposal. The Congressional Budget Office (CBO) provides Congress with economic data. Congressional committees hold hearings, analyze the budget proposals, and by September offer budget resolutions to their respective houses (which must be passed by September 15). The Appropriations Committee for each house submits bills to authorize spending.
- *president*—Congress sends **appropriations** bills to the president for approval. If no budget is approved, Congress must pass temporary emergency funding or the government will shut down.

### THE BUDGET PROCESS

President and OMB (Office of Management and Budget)	OMB presents long-range forecasts for the revenues and expenditures to the president. President and OMB develop general guidelines for all federal agencies. Agencies are sent guidelines and forms for their budget proposals.
Executive agencies	Agencies prepare and submit budget requests to OMB.
OMB and agencies	OMB reviews agency requests and holds hearings with agency officials.
OMB and president	OMB presents revised budget to president. President and OMB write budget message for Congress.
President	The president presents budget for the next fiscal year to Congress.
CBO (Congressional Budget Committee) and congressional committees	CBO reviews taxing and spending proposals and reports to House and Senate committees
Congress, House and Senate budget committees	Committees present first concurrent resolutions, which sets overall total for budget outlays in major categories. Full House and Senate vote on resolutions. Committees are instructed to stay within Budget Committee's resolution.
Congress, House and Senate appropriations committees, and budget committees	Appropriations committees and subcommittees draw up detailed appropriations bills and submit them to budget committees for second concurrent resolution. The full House and Senate vote on "reconciliations" and second (firm) concurrent resolution.
Congress and president	House and Senate pass various appropriations bills (nine to sixteen bills, by major functional category, such as "defense"). Each is sent to the president for signature. (If successfully vetoed, a bill is revised and resubmitted to the president.)
	Fiscal year for all federal agencies begins October 1. If no appropriations bill for an agency has been passed by Congress and signed by the president, Congress must pass, and the president must sign a continuing resolution to allow the agency to spend at last year's level until a new appropriations bill is passed. If no continuing resolution is passed, the agency must officially cease spending government funds and must officially shut down.

## Foreign and Defense Policy

Foreign policy involves all the strategies and procedures for dealing with other nations. One of the purposes of foreign policy is to maintain peaceful relations with other countries through diplomatic, military, or trade relations. The process of carrying out foreign policy is accomplished through foreign relations. Defense policy is the role that the military establishment plays in providing for the defense of the nation.



### The President and Foreign Policy

The president is often considered the leader in the development of foreign policy. Presidential authority for foreign policy originates from the constitutional powers, historical precedent, and institutional advantages of the executive. The president is commander-in-chief of the armed forces, negotiates treaties and executive agreements, and appoints foreign ambassadors, ministers, and consuls. Historically, presidents have often issued foreign policy statements (for example, the Monroe Doctrine and the Truman Doctrine) that have not passed through the legislative process but which set the tone for foreign policy. Executive agreements, or pacts between the president and heads of state of foreign countries, do not require Senate ratification. Also, the president can often respond more quickly than Congress when a national crisis requires quick action (for example, the attack on Pearl Harbor or the events of September 11, 2001).

### The Department of State

The Department of State is the major organization for carrying out foreign policy. The secretary of state reports directly to the president with advice about foreign policy matters. The secretary of state also supervises the diplomatic corps of ambassadors, ministers, and consuls. The State Department is organized into bureaus, each specializing in a region of the world.

### The Department of Defense

The Department of Defense (DoD) provides military information to the president. The secretary of defense advises the president on troop movements, military installations, and weapons development. Because the secretary of defense is a civilian, the Joint Chiefs of Staff, composed of a chairman and the highest-ranking military officer in the Army, Navy, Air Force, and Marines, also provide advice on military matters.

### The National Security Council

The National Security Council (NSC) is part of the Executive Office of the President. Membership includes the president, vice president, the secretaries of state and defense, chairman of the Joint Chiefs of Staff, director of the Central Intelligence Agency, and the president's national security advisor.

### The United States Information Agency

The United States Information Agency helps keep the world informed about America, the American way of life, and American views on world problems through information centers around the world. It also sponsors the "Voice of America" radio programs that are broadcast around the world.

## The Central Intelligence Agency

The Central Intelligence Agency is responsible for gathering secret information essential to national defense. Although the CIA is an independent agency, it operates within the executive branch to gather information, analyze that information, and brief the president and the National Security Council.

## Congress and Foreign Policy

Congress also plays a major role in the development of foreign policy. It is the responsibility of the Senate Foreign Relations Committee and the House Committee on Foreign Affairs to make recommendations to Congress and the president on foreign relations. The Senate must approve all treaties between the United States and foreign nations by a two-thirds vote, and all nominations for ambassadors by majority vote. Congress has the power to declare war and must approve spending for national defense.

## Current Issues in Foreign Policy

Current foreign policy issues include:

- *nuclear proliferation*—With only a few nations having nuclear capabilities, how do we prevent possible enemies from gaining access to nuclear technology that might someday be used against the United States or our allies?
- *terrorism*—How does the United States defend itself against possible terrorist attacks? What role will the Department of Homeland Security play in intelligence gathering, border security, immigration, and holding, questioning, and prosecuting suspected terrorists?
- *international trade*—Trade can be used as a tool of foreign policy by providing military or economic aid or by reducing or eliminating tariffs through trade agreements such as the **North American Free Trade Agreement (NAFTA)** and the World Trade Organization (WTO).
- *how to manage conflicts abroad*—During the presidency of George W. Bush many criticized the United States for its “go it alone” policy. Should President Trump and subsequent presidents do more to create alliances and agreements with other nations?

## > Review Questions

---

### Multiple-Choice Questions

1. During the policymaking process, when a plan of action is executed by an agency or agencies, what important step has taken place?
  - (A) policy formulation
  - (B) policy implementation
  - (C) policy adoption
  - (D) agenda setting
2. What has been the major goal of the government's education policy?
  - (A) ensure equal access to educational opportunity
  - (B) increase the power of the Department of Education
  - (C) provide more money to low-income schools
  - (D) provide more programs for higher education
3. Which of the following is NOT associated with U.S. domestic policy?
  - (A) The Federal Bureau of Investigation
  - (B) The Environmental Protection Agency
  - (C) The Drug Enforcement Administration
  - (D) The National Security Council
4. In the United States, the largest percentage of government spending goes to
  - (A) Medicare and Medicaid programs
  - (B) public health services
  - (C) the Food and Drug Administration
  - (D) Centers for Disease Control
5. Which of the following was the first major government act of economic support?
  - (A) the Great Society Act
  - (B) the Medicare and Medicaid Act
  - (C) the Social Security Act
  - (D) the Welfare Act
6. Which of the following is true regarding U.S. economic policy?
  - (A) Government planners may make choices about nondiscretionary spending.
  - (B) The Department of the Treasury is held responsible for the economic health of the nation.
  - (C) The government raises revenue primarily through the collection of taxes.
  - (D) Discretionary spending includes interest on the national debt.
7. Which of the following is NOT a part of the federal budget process?
  - (A) The Supreme Court reviews budget requests that are outside the realm of constitutional law.
  - (B) The executive branch (OMB) holds meetings to review budget proposals.
  - (C) Each federal agency submits an estimate of needs to the OMB.
  - (D) Congress debates budget proposals.
8. Which of the following is NOT a true statement?
  - (A) The purpose of foreign policy is to maintain peaceful relations with foreign nations.
  - (B) Foreign policy is the responsibility of the Congress through the secretary of state.
  - (C) The process of carrying out foreign policy is accomplished through foreign relations.
  - (D) Defense policy is the role that the military establishment plays in providing for the defense of the nation.
9. Which department is most responsible for providing the president with military information that would be useful in dealing with foreign nations?
  - (A) the Department of State
  - (B) the Department of Defense
  - (C) the National Security Council
  - (D) the United States Information Agency

10. Current foreign policy issues include all of the following except
- (A) nuclear proliferation
  - (B) national defense
  - (C) terrorism
  - (D) national education

11. Based on the information in the table, which statement is true about the federal budget?
- (A) The largest revenue source of the federal budget is payroll taxes.
  - (B) The least spending in the federal budget is on Social Security programs.
  - (C) The largest revenue source of the federal budget is individual income taxes.
  - (D) The least spending in the federal budget is on income security programs.

Use the table below to answer question 11.

2017 FEDERAL REVENUE		2017 FEDERAL SPENDING
Individual Income Taxes	49%	Social Security
Payroll Taxes	34%	Defense
Corporate Income Taxes	9%	Medicare, Medicaid, CHIP, Health Insurance
Other	8%	Income Security Programs
		Net Interest
		Other Mandatory

**Free-Response Question**

12. (A) Define federal budget.  
 (B) Describe the role of the president and executive branch in the budget process.  
 (C) Describe the role of Congress in the budget process.

## › Answers and Explanations

---

- 1. B.** Policy implementation is the process of enactment of policy. Policy formulation (A) involves finding ways to solve the problem. Policy adoption (C) is adopting a plan of action. Agenda setting (D) is the recognition of an issue as a problem that must be addressed.
- 2. A.** The major educational policy goal of the federal government has been to ensure equal access to educational opportunities. Although choices (B), (C), and (D) are goals of the government's educational policy, these goals are subordinate to the greater goal of equal access to education.
- 3. D.** The National Security Council deals with foreign and defense policy and includes the chairman of the Joint Chiefs of Staff, the president's national security advisor, and the director of the CIA. The other answer choices deal with U.S. domestic policy.
- 4. A.** Medicare and Medicaid receive the largest percentage of government spending. The other answer choices are programs and agencies that involve somewhat less government spending.
- 5. C.** The first major governmental act to aid citizens was the Social Security Act. Answer D is nonexistent. Medicare and Medicaid (B) are programs that began under President Johnson's Great Society (A) in the 1960s.
- 6. C.** The primary source of government revenue is taxation. Government planners make choices about discretionary spending (A). The president and the Congress are held responsible for the nation's economic health (B). Interest on the national debt is discretionary spending (D). Mandatory spending is another term for nondiscretionary spending.
- 7. A.** The Supreme Court does not participate in the federal budget process. The remaining answer choices are steps in the process of creating the federal budget.
- 8. B.** The president, not Congress, works with the secretary of state to develop foreign policy. The other answer choices describe the nature of foreign policy.
- 9. B.** The Department of Defense is responsible for providing military information to the president. The Department of State (A) and the National Security Council (C) deal with foreign policy. The United States Information Agency (D) runs radio stations, libraries, and educational programs in foreign countries.
- 10. D.** National education is a domestic policy issue. The remaining answer choices deal with foreign-policy issues.
- 11. C.** The largest revenue source of the federal budget is individual income taxes at 49%.
- 12. A.** The federal budget is an itemized plan for the annual public expenditures or spending of the United States. It is the government's estimate of spending and revenue for each fiscal year.

**B.** Each federal agency within the executive branch submits a detailed estimate of its funding needs for this coming year to the Office of the Management and Budget (OMB). The OMB holds meetings at which representatives from the various agencies may explain their proposal and try to convince the OMB that their needs are justified. The OMB works with the president's staff to combine requests into a single budget package. The president then submits his budget package to Congress.

**C.** After the president has submitted his budget proposal to Congress, Congress debates and often modifies the president's proposal. The Congressional Budget Office (CBO) provides Congress with economic data. Congressional committees hold hearings, analyze the budget proposals, and offer budget resolutions to their respective houses. The Appropriations Committee for each house submits bills to authorize spending once the budget has been approved.

## › Rapid Review

---

- Public policymaking occurs at all levels of government.
- Policymaking is a slow process involving several steps: agenda setting, policy formulation, policy adoption, policy implementation, and policy evaluation.
- Domestic policies are the social policies of the United States: crime prevention, education, energy, environment, health care, and social welfare.
- Crime prevention at the national level is the responsibility of the Federal Bureau of Investigation, the Drug Enforcement Administration, and the Bureau of Alcohol, Tobacco, and Firearms.
- Education falls under the authority of state governments; however, the federal government has played an increasing role in education.
- The Environmental Protection Agency was created in the 1970s to enforce environmental legislation.
- The government operates several programs aimed at promoting and protecting public health: the Public Health Service, Centers for Disease Control, Veterans Affairs, and the Food and Drug Administration.
- Social welfare programs include Medicare, Medicaid, and Social Security.
- Economic policy can have an impact on national elections.
- Economic policy includes raising revenue, government spending, and formulation of the federal budget.
- The federal budget indicates the amount of money the federal government expects to receive and spend during a fiscal year.
- The Office of Management and Budget (OMB) plays a major role in creating the budget.
- Foreign policy involves all the strategies and procedures for dealing with foreign nations. The president is considered the leader in the development of foreign policy.
- The Department of State, headed by the secretary of state, is responsible for the execution of foreign policy.
- The Department of Defense provides military information to the president.
- Congress plays a role in the development of foreign policy by making recommendations to the president on foreign relations, approving treaties, and approving nominations of ambassadors.
- Current issues in foreign policy include nuclear proliferation, terrorism, international trade, and how to manage conflicts abroad.