Chapter 14

1. What was the central issue of disagreement during the budget battle and government shutdown of 2013?  
\*a. Implementation of the Affordable Care Act

b. Introduction of new environmental regulations

c. Spending on the Pentagon and other defense items

d. Tax breaks related to education and home mortgages

2. Which of the following is *not* a typical step in the policy-making process?

a. Setting the agenda

\*b. Fund-raising

c. Formulating policy

d. Implementation

3. Which of the following is an example of an activity that would occur during the agenda-setting stage of policy making?

a. President Obama signs the Energy Efficiency Improvement Act into law

b. The Energy Committee holds several hearings on renewable energy

\*c. A landslide election shifts attention to the nation’s mounting deficit and debt

d. A blue-ribbon commission is appointed to explore possible solutions to climate change

4. Which of the following is an example of an activity that would occur during the policy formulation stage of policy making?

a. The Food and Drug Administration approves a new drug for over-the-counter sales

b. Events in Ferguson bring attention to the issue of demilitarizing the police

c. President Obama signs the Affordable Care Act into law

\*d. Congress funds several pilot projects testing various types of school vouchers

5. Which of the following is an example of an activity that would occur during the policy adoption stage of policy making?

\*a. President Bush signs No Child Left Behind into law

b. The Senate holds hearings on the implementation of the individual mandate in the Affordable Care Act

c. A policy entrepreneur tries to get other members to consider legislation addressing climate change

d. The Agriculture Committee writes a report on farm subsidies

6. Which of the following is an example of an activity that would occur during the implementation stage of policy making?

\*a. The U.S. Department of Health and Human Services rules that birth control will be covered as a preventative service under the Affordable Care Act

b. The Senate votes in favor of the Cybersecurity Workforce Assessment Act after a lengthy filibuster

c. The Homeland Security Committee holds hearings on Pentagon funding

d. A landslide election shifts attention to the nation’s mounting deficit and debt

7. Which of the following is an example of a *distributive* policy?

a. A regulation providing for the testing of new drugs before they are sold

\*b. A bill establishing new national parks and historic sites

c. An increase in taxes for individuals earning over $100,000

d. Spending on Medicaid

8. Which of the following is an example of a *regulatory* policy?

a. Earmarks

b. Funding for academic research at MIT

\*c. A prohibition on deceptive advertising

d. Spending on entitlement programs such as Social Security

9. Which of the following is an example of a *redistributive* policy?

a. A limit on the amount of pollutants a factory can produce

b. Funding to build a bridge

c. Regulations of the banking industry

\*d. An increase in taxes for individuals earning over $100,000

10. Which of the following is an example of an unfunded mandate?

\*a. No Child Left Behind

b. Iraq War Resolution

c. Creation of the Environmental Protection Agency

d. A bill raising taxes on the top 1% of earners

11. Which of these is an example of mandatory (or entitlement) spending?

a. Funding for the FDA

\*b. Social Security

c. No Child Left Behind

d. Child nutrition programs

12. Which of the following is accomplished by a budget resolution?

a. Cuts taxes

b. Limits the funds that can be allocated to entitlement spending

\*c. Establishes spending priorities

d. Reduces the national debt

13. Which of these is an example of discretionary spending?

a. Unemployment benefits

b. Medicare

\*c. NASA

d. Food stamps

14. Which of these is an example of a tax expenditure?

a. Salaries for federal judges

b. Funding for the Human Genome Project

c. Food stamps

\*d. The home mortgage interest deduction

15. A budget resolution acts as a “fiscal blueprint” for Congress by establishing the context of congressional budgeting.

\*a. True

b. False

16. The Congressional Budget Office (CBO) is a nonpartisan office that prepares economic forecasts for Congress.

\*a. True

b. False

17. Budget resolutions do not need the President’s signature because they have no binding legal effect.

\*a. True

b. False

18. Policy implementation is usually the first step in the policy-making process.

a. True

\*b. False

19. Entitlements make up about two thirds of all federal spending.

\*a. True

b. False

20. Redistributive policies are typically the least controversial and result in little partisan conflict.

a. True

\*b. False

21. Sequestration is a process by which Senators can hold budget proposals “hostage” until their demands for earmarks are met.

a. True

\*b. False

22. Earmark reform led to the elimination of pork and other earmarks in congressional legislation.

a. True

\*b. False

23. Congressional oversight is typically part of the implementation stage of policy making.

\*a. True

b. False

24. Appropriations bills are constitutionally required to start in the House of Representatives.

a. True

\*b. False

25. What happened to the significant budget surplus that was projected in 2000?

\*a. Answers Vary

@The surplus turned into a substantial deficit for a number of reasons. Students should identify some of the following: instead of defense cutbacks, defense spending rose dramatically after 9/11; economic growth ended and the stock market performed poorly, reducing revenue; the Bush tax cut reduced revenue; spending caps and PAYGO expired.

26. What is the difference between PAYGO and CUTGO?

\*a. Answers Vary

@PAYGO stands for pay-as-you-go, and CUTGO stands for cut-as-you-go. Under PAYGO, Congress and the President could only cut taxes or increase entitlement spending if they also offset these with tax increases or cuts to other entitlement programs. It was fairly effective at reducing the deficit and even led to a brief surplus. In contrast, CUTGO focuses only on cuts to entitlement programs, and exempts tax cuts; that is, taxes can be cut without being offsets for the lost revenue.

27. What is reconciliation? Why is it particularly important in the Senate?

\*a. Answers Vary

@Reconciliation attempts to bring revenue and entitlement spending into conformity with the fiscal targets established in the budget resolution. It is particularly important in the Senate because reconciliation measures cannot be filibustered.

28. What are tax expenditures and who is most likely to benefit from them?

\*a. Answers Vary

@Tax expenditures describes revenue that is forgone through various tax credits, subsidies, or deductions. High earners are most likely to benefit from tax expenditures because they are most likely to engage in activities that are eligible for credits or subsidies (such as taking out a mortgage on a home).

29. What is the difference between an authorization and an appropriation?

\*a. Answers Vary

@Authorizations allow (or “authorize”) programs to be created and funded and recommend a specific funding level for those programs. Appropriations give agencies the legal right to actually spend funds, sometimes at the level set in the authorization but sometimes at a lower level. The essential difference is between what government should do (authorizations) and what it can afford to do (appropriations).

30. Why is interest on the national debt a budget problem, and why has it been so difficult to solve?

\*a. Answers Vary

@Interest on the national debt is a significant problem largely because of its size; interest payments already make up more of the budget than many executive agencies and will soon grow even larger. The solutions are fairly simple—tax more, spend less, combine the two, and/or foster economic growth. But those solutions around taxing and spending are politically controversial because constituents would rather not do either of these things, especially when they are not seeing a tangible benefit.

31. What is symbolic policy making and why does Congress make this type of policy?

\*a. Answers Vary

@Symbolic policy making is the passage of laws that give the impression that action is being taken, even when the measure is unlikely to have any real impact on the problem. Members will tend to vote for symbolic legislation when their constituents demand action on a particular issue, but there are no clear solutions (or the solutions are politically unpalatable).

32. What were the most important features of the 1974 Budget Act?

\*a. Answers Vary

@Students should identify and describe some of the following: creation of Budget Committees and CBO, limited presidential impoundments, developed a timeline various steps in the budgeting process, concurrent budget resolutions, and reconciliation.

33. Why has Congress relied on continuing resolutions to fund government in recent years?

\*a. Answers Vary

@These resolutions provide stopgap funding when an agreement cannot be reached on a budget bill by the start of the fiscal year. CRs have become more common as polarization and the use of the filibuster in the Senate have increased. These factors make it more difficult to pass routine spending bills, creating the need for CRs.

34. What is a policy window? Give a specific example of one policy window.

\*a. Answers Vary

@A policy window is the opportunity presented by circumstances and attitudes to enact a policy into law. Policy entrepreneurs must wait for a window to open and then seize the opportunity. Examples will vary.

35. What is the debt ceiling and how is it relevant to the budget process in Congress?

\*a. Answers Vary

@The debt ceiling (or limit) is a statutory cap on the total amount of borrowing that the federal government can undertake. It is important to the budget process because Congress must specifically vote to authorize an increase in the debt ceiling whenever borrowing approaches that limit. It has been the subject of partisan fighting during recent budget debates.

36. What is the difference between discretionary and mandatory spending?

\*a. Answers Vary

@Discretionary spending describes programs that Congress can finance as it chooses through appropriations. For example, military spending and the funding of federal agencies falls in this category, because Congress authorizes a specific funding amount with each budget cycle. In contrast, mandatory spending is spending on entitlements; that is, programs whose eligibility requirements are written into law. Anyone who meets the requirements is entitled to the money rather than Congress setting a specific budgetary amount. Examples include unemployment benefits and Social Security.

37. How were the “two Congresses” apparent in the battle over the budget and government shutdown in 2013?

\*a. Answers Vary

@The first Congress is Congress as a lawmaking institution. From this perspective, members were faced with the urgent need to act as a whole to prevent the government from shutting down and the United States from losing its bond rating. Keeping government running is a basic function of Congress. On the other hand, the second Congress is attention to constituents and reelection. Republicans in particular, especially those worried about primary challengers from the right, knew that a vote for a budget bill that funded the ACA was electorally risky.

38. Why are entitlements so difficult to control or cut?

\*a. Answers Vary

@Entitlements are difficult to change or cut because they have a broad base of support among constituents. The largest share of entitlement spending goes to seniors, who are very protective of these programs and also very likely to vote. Thus politicians who advocate for reform face significant electoral risks.

39. Identify and describe the four stakes of policy making.

\*a. Answers Vary

@First comes setting the agenda—identifying a problem and adding it to the list of subjects the government is paying serious attention to. Second is formulating policy—discussing the issue and exploring potential solutions. Next comes policy adoption—actually voting for a policy and having the President sign it into law. The last step is implementation—the policy actually going into effect, typically through a federal agency.

40. What are the three major categories of domestic policies? Give a specific example of each.

\*a. Answers Vary

@Distributive policies convey tangible benefits to private individuals, groups, or firms. Regulatory policies regulate private activity to protect the public from harm or abuse. Redistributive policies purposefully shift resources from one group to another. Examples will vary.

41. What was the purpose of earmark reform? Was it successful?

\*a. Answers Vary

@Earmark reform was intended to introduce more accountability and transparency into the earmark process, and Congress even banned earmarks all together in 2011. However, members have used other practices to get around the earmark ban but still provide benefits to their constituents, such as phonemarking or soft earmarking.

42. What are some of the costs and benefits of earmarks?

\*a. Answers Vary

@The biggest cost is simply money; many argue these projects are included in bills simply as a form of constituency service, not because they are a wise use of taxpayer dollars. However, others argue that the amount spent on earmarks is trivial in comparison to other budget items, while the benefits are substantial—helping build coalitions and ease negotiations and funding important projects.

43. How does bicameralism influence congressional decision making?

\*a. Answers Vary

@Longer terms in the Senate may allow senators to act more as “statesmen” rather than only worrying about reelection (at least for part of their terms). Constituency also matters; House districts tend to be more homogeneous and thus promote clearer positions on a narrower range of issues than those tackled by senators. Finally, the differing sizes of the chambers matters: Because of its large size, the House is more majoritarian; in contrast, with fewer members the Senate can afford more minority rights while still functioning. Overall, these differences can make compromise difficult.

44. Trace a recent policy through each of the four steps of the policy-making process. Which hurdle seemed to be most difficult to overcome for this policy to actually take effect? [Note: Depending on the level of the students, the professor may wish to provide a list of possible policies to choose from.]

\*a. Answers Vary

@Students should trace the development of the policy from agenda-setting, to policy formulation (i.e., hearings, pilots, debates over solutions), to adoption (i.e., was it a party-line vote? Was it easy to get the policy through Congress and the President or more challenging?), to implementation (i.e., what agency is responsible for the policy? Has implementation gone smoothly?). They should make a clear argument about which stage was the most difficult for this particular policy to make it through.