

**AP AMERICAN GOVERNMENT  
UNIT 6: PUBLIC POLICY  
ONE PAGER**

**DOMESTIC POLICY**

MAKING POLICY	INFLUENCING POLICY MAKERS	ECONOMIC THEORY & COST/BENEFIT POLICY
<p><u>CONGRESS</u> -Congress passes laws</p> <p><u>PRESIDENT</u> -The president issues executive orders.</p> <p><u>BUREAUCRACY</u> -The agencies set regulations (rulemaking)</p> <p><u>JUDICIAL</u> -The Court sets precedents by ruling on a case (some ruling require governments to spend money in remedies)</p> <p>*All government institutions create policy in some way.</p>	<p><u>POLITICAL PARTIES</u> -A group who tries to win elections so they can control the government (policy).</p> <p><u>INTEREST GROUPS</u> -Use propaganda (to get people actively involved) -Use PACs to influence elections of future policy makers. -Hire lobbyist to apply pressure on the policy-making process (gov institutions).</p> <p><u>MEDIA</u> -The media selects which stories to cover. (gatekeeper)</p>	<p><u>KEYNESIAN ECONOMICS</u> -The government should control the economy by adding or removing money from the economy based on the demand. This could fight inflation.</p> <p><u>SUPPLY-SIDE THEORY</u> -Fiscal conservatives believe that if you tax people less then they will have more money to spend.</p> <p><u>COST/BENEFITS OF POLICY</u> -Majoritarian: all pay, all get---social security -Entrepreneurial: some pay, all get--limit carbon emissions -Client politics: all pay, some get--food stamps -Interest group: some pay, some get--60 day notice layoffs</p>
MONETARY POLICY VERSUS FISCAL POLICY	THE FEDERAL BUDGET PROCESS	REVENUE & EXPENDITURES
<p><u>MONETARY POLICY</u> -Gov manages money supply and the value of currency. -<b>The Federal Reserve Board (The Fed)</b> is an independent regulatory agency that sets monetary policy by: 1) setting bond rates (interest on bonds) 2) setting discount rates (interest on loans) 3) setting the reserve requirements (money banks must keep on hand)</p> <p><u>FISCAL POLICY</u> -The amount Congress decides to tax (revenue) and spend (expenditures). -Federal taxes: Income, Estate, Corporate, Excise. -State taxes: Sales, Property, Licenses, Income</p>	<p><u>EXECUTIVE ROLE</u> -Agencies submit desired funding to OMB. -Office of Management &amp; Budget finalizes budget proposal under Presidents leadership.</p> <p><u>LEGISLATIVE ROLE</u> -Congress sets overall levels of revenue &amp; expenditures -Passes <b>appropriation bills</b>: spending bills.</p> <p>*The U.S. taxes and spends around 4 trillion dollars every year. (Deficit usually)</p>	<p><u>REVENUE</u> -Income Taxes (biggest hunk). <b>Progressive tax</b>: the more you make the more you pay. -<b>Flat tax</b>: everyone pays the same rate (done at State level with sales tax).</p> <p><u>SPENDING</u> -Mandatory Spending make up 2/3 of budget. <b>Entitlement program</b>: citizens receive a benefit by law if they meet certain requirements. Examples: Food Stamps, Medicare -Discretionary spending makes up 1/3 of budget. -<b>Debt</b>: the total amount of money that the U.S. owes. -<b>Deficit</b>: when the government spends more than it makes. -<b>Surplus</b>: when the government spends less than it makes.</p>

**FOREIGN & MILITARY POLICY**

CONSTITUTIONAL FRAMEWORK	INFLUENCE FROM INSIDE GOVERNMENT	INFLUENCE FROM OUT OF U.S.
<p><u>CONGRESS</u> -Declares war. -Funds military action. -Senate approves appointments of ambassadors &amp; top military personnel. -Senate ratifies treaties with other nations by 2/3 vote. -Oversight of agencies within the State and Defense Departments.</p> <p><u>THE PRESIDENT</u> -Commander-in-chief -Appoints ambassadors &amp; top military personnel -Negotiates treaties with other nations (senate confirms) -Make executive agreements (no approval needed)</p>	<p><u>EXECUTIVE BRANCH</u> -The President: Commander-in-chief -Department of State: diplomacy (diplomats/treaties) -Department of Defense: Pentagon runs military -Joint Chiefs of Staff: link between leadership-military (electronically) -National Security Agency (NSA): gathers intelligence -Central Intelligence Agency (CIA): Collects and analyses information about foreign countries and events. -National Security Council (NSC): Advises president -Department of Homeland Security: coordinate efforts to stop domestic terrorism.</p> <p><u>LEGISLATIVE BRANCH</u> -Congressional leadership: Congress decided to create NASA to because sputnik was a threat. -Congressional oversight: Conducts hearings to gather information to decide on policy. -Treaties: 2/3 of Senate needed to ratify. -Appointments: Majority of Senate needed to approve. -Appropriations: Spending bills for agencies like army</p>	<p><u>UNITED NATIONS AGENCIES</u> -International Monetary Fund: stable currency -World Trade Organization: expand free trade. -World Bank: gives loans to developing nations.</p> <p><u>GLOBAL MEETINGS</u> -G-8 summit: improve international development -United Nations: tries to keep peace -European Union: Europe united for trade</p> <p><u>MULTINATIONAL CORPORATIONS</u> -Companies with multinational ownership of property and financial instruments are becoming influential.</p>
WAR POWERS ACT OF 1973	INFLUENCE FROM OUT OF GOV	INFLUENCE FROM OUT OF U.S.
<p><u>LIMITS THE PRESIDENT</u> -President has 48 hours to report troops being sent to another country. -Troops only have 60 days unless Congress extends. -Congress can pass concurrent resolution to end combat.</p>	<p>-Business: military-industrial complex -News Media: Media coverage of vietnam. -The public: protesting war/elections -Think Tanks: like international interest groups.</p>	