I. Chapter Overview

A. Learning Objectives

➢ 17.1 Trace the stages of the policy-making process
➢ 17.2 Describe the evolution of health policy in the United States
➢ 17.3 Outline the evolution of education policy in the United States
➢ 17.4 Explain the evolution of energy and environmental policy in the United States
➢ 17.5 Assess the ongoing challenges in U.S. domestic policy

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B. Chapter Summary

Roots of Public Policy: The Policy-Making Process

Public policy is the way that government deals with problems and concerns. It is comprised of laws or regulations that are authoritative and binding. It is important to remember that policy is a process, not a point in time. Policy begins with an idea, moves through a number of stages, becomes a law by passing Congress and the president, then the bureaucracy implement and interpret it, sometimes the courts get a shot at that as well...and all the while, policy is shifting. Laws are amended, executive orders are issued, the bureaucracy chooses to enforce or not, and so on.

Theories of Public Policy

There are a number of theoretical approaches to the study of public policy. According to elite theories, the few of the elite make all the decisions in society, or at least the important ones. The mass of people respond to these policies but don’t have much input. They say this unequal distribution of power is normal and inevitable. This doesn’t, however, imply that public opinion has no impact on the process and elites don’t necessarily oppress the masses.

A second group of theorists is the pluralist school of thought. Under pluralism there are simply too many interests for any one interest to dominate. They would say that the elite theorists are just plain wrong.

Interest group theories, often grouped in with the pluralists but recognizing the priority of one particular set of groups, posit that interest groups are the key factor in the policy process. Government simply mediates among the interest groups.

In addition, bureaucratic theorists contend that all institutions are part of, or controlled by, a large and ever-growing bureaucracy, which operates on its own imperatives, such as standard operating procedures and the quest for institutional survival. Complexity empowers bureaucrats, since others can’t see all that goes on within a given policy area and few can understand and navigate the Byzantine world of government documents. So, power passes from the elected to the unelected—the bureaucrats, who, in this theory, are the policy makers.
A Model of the Policy-making Process

Problem Recognition and Definition

The first stage of the policy-making process is the recognition of a problem and its definition. Not all problems are, or should be, the purview of government. However, these lines change all the time. In 1920, the federal government thought it should have no role in income security, the alleviation of poverty, and health care. By 1934, that idea had radically changed. Simply because something is not a relevant problem today does not mean that it will never be a problem that could be addressed by public policy.

For the purposes of this model, a problem must be something that the government can remedy, fix, ameliorate, or affect. A government cannot prevent a flood or earthquake (at least not totally), but it can address the damage from a flood or earthquake and establish policies about building in flood and earthquake-prone areas.

Enter politics. Not everyone will agree that there is a problem or on the definition of that problem, let alone how to address it. Here is where some very interesting political struggles occur. Individuals, political parties, interest groups, members of Congress, members of various executive agencies, and many more discuss, argue and debate the “problem” in a variety of venues, from Sunday morning talk shows to town hall meetings to administrative hearings to congressional testimony and beyond. Probably the KEY struggle is the struggle to define the problem.

It is also important to remember that public policies can also cause problems. For example, many people think that gun control is a solution to gun violence, while others see gun control itself as a problem.

Agenda Setting

Once a problem is defined, it needs to be put on the agenda for consideration. There are two basic kinds of agenda:

- systemic agenda: a discussion agenda of all issues that are seen as meriting public attention
- governmental or institutional agenda: only problems to which legislators or public officials feel obliged to devote serious time and attention

For our purposes, the agenda that everyone wants to be on is that of Congress. There are many ways to get on the congressional agenda. First, the president sets agenda priorities in the State of the Union address, the budget, and special messages throughout his administration. In this way, the president presents Congress with a legislative program for its consideration. Of course, the president does not always win and Congress does not always respond to his agenda items in the way he might wish. Second, interest groups and lobbyists help to shape the congressional agenda through their efforts. Third, events may dictate an agenda item, such as flooding in the Midwest, mine explosions, nuclear accidents or earthquakes. The news media may force an item onto the agenda, such as genocide in Sudan or child abuse. However, the media are usually more important in developing and sustaining interest in a problem than in identifying those issues. Private citizens may bring issues to the attention of Congress, as John Walsh did when his son was abducted (now the host of America’s Most Wanted). Some legislators are elected on the basis of issues they want to strive to get on agenda, such as gun control, environmental issues, poverty relief, tax reform, a balanced budget, and many more. And lastly, political changes may contribute to agenda setting. LBJ and Reagan both won
elections that changed the political face of the country. LBJ brought in a Democratic
majority for programs designed to eliminate poverty. Reagan’s conservative revolution
changed the popular notion that government was a force for good. After Reagan, the
conventional wisdom became that government was bad and not to be trusted.
It is important to remember that Congress has limited time and attention. Many worthy
agenda items are always competing at any one time. So it is crucially important to
skillfully guide issues onto the agenda if you want congressional action.

Policy Formulation
Policy formulation is the crafting of appropriate and acceptable courses of action
to ameliorate or resolve a public problem. Basically, a wide variety of political actors try
to come up with suggestions about how to approach a problem. The possible solutions
may be similar to those tried in the past or entirely new and creative. There are routine,
analogous and creative formulation methods. In the formulation of policy, all groups
must consider what is politically and technically feasible, as well as optimal solutions.

Policy Adoption
Policy adoption is the making of a law or laws that give the policy legal force.
Remember how a bill becomes a law? The process of policy adoption is a complicated
and messy one that virtually assures compromise on a variety of fronts, in order to
achieve success. In addition, laws often are written in very vague ways to ensure that they
offend no one and will pass. Negotiation, bargaining, and compromise are the hallmarks
of any legislation. Often, policy promoters decide that it would be technically or
politically impossible to get the ideal policy passed, and so, they try for a smaller part.
Much legislation is incremental in this way. And still many bills die.

Budgeting
In order to be carried out, a policy must have a budget. Whether a policy is well
or poorly funded has a significant effect on its scope, impact, and effectiveness.
Sometimes, policies are not funded or so underfunded that they cannot function.

Policy Implementation
Policy implementation is how policies are carried out. Most policies are
implemented by administrative agencies. They may use a number of techniques to
implement policies including:

• authoritative techniques—rules and standards are enforced through
  sanctions such as fines, jail time, revocation of funding, etc.
• incentive techniques—policies are enforced and encouraged through
  positive sanctions such as tax deductions to encourage charitable giving,
  subsidies for farmers, and so on
• capacity techniques—provide people with information, education,
  training, or resources that will enable them to undertake desired activities
  such as job training, reliable interest rate information, truth in advertising
  rules, etc.
hortatory techniques—try to enforce policy by appealing to people’s best instincts; slogans like “Give a Hoot, Don’t Pollute,” “Only YOU can prevent forest fires,” and so on.

The ability of an agency to adequately administer public policies has a lot to do with whether they can use the appropriate technique, adequacy of funding, political support, and the will and skill of agency personnel.

Policy Evaluation
Policy evaluation is a way of determining whether a policy is working and whether it is being adequately administered. Some evaluation is based on anecdotal evidence (stories from a few people that make their way to the ears of an evaluator), some on political considerations (if it’s popular, it must be good), and some evaluation is built on good, solid facts and thorough analysis.

Evaluation is undertaken by many players, often each with different political or other goals. The demise of a program is rare though, and usually, troubled programs are modified or amended or allowed to limp along.

The Evolution of Health Policy

Health Care
The first national health care program was founded in 1798 to aid disabled and ill seamen. Local governments had established public health departments in the early nineteenth century, and state health departments became common in the latter half of the nineteenth century. Many were aimed at public sanitation, clean water, and disease prevention. The government prescribed the pasteurization of milk and promoted immunization programs to protect the public health. The first Surgeon General was appointed in 1871 to watch over the public health and lead the Public Health Service (now a branch of Health and Human Services). Beginning in 1891–92, the Public Health Service examined immigrants coming to the U.S. at Ellis Island and other entry points to ensure that no one brought a communicable disease into the country. So there has been a long history of government involvement in health care issues.

Medicare—covers people who receive Social Security benefits. Medicare Part A covers all Americans automatically at age 65 and covers hospitalization, some skilled nursing care, and home health services. Individuals pay about $700 in medical bills before Part A kicks in. Medicare is financed by a payroll tax of 1.45 percent paid by employers and employees on total wages and salaries.

Part B is optional and covers physicians’ services, outpatient and diagnostics, X-rays, and other items not covered in Part A. Excluded are eyeglasses, prescription drugs, hearing aids, and dentures.

Part D is the prescription drug benefit, which began operating in 2006. For those who participate, there is a monthly premium of $35, an annual deductible of $250, and the plan pays 75 percent of covered medicines. If your annual drug costs exceed $5,100, the program can pay 95 percent. There are, however, odd gaps in coverage. Democrats charge that the primary beneficiaries of this plan are the drug and insurance companies. The government, under this law, is expressly prohibited from negotiating lower drug prices for Medicare drugs. It is also a hugely expensive benefit that will exacerbate the problems with Social Security and health care cost as Baby Boomers retire.
As people live longer, Medicare has become more costly. The elderly need more medical services and medical care costs are rising. Attempts to control costs have not been very effective, and the lobby in favor of these entitlements is quite strong (remember, older people are far more likely to vote than younger people).

**Medicaid**—Medicaid provides medical insurance to the poor including hospitalization, physicians’ services, prescription drugs, and long-term nursing care (unlike Medicare) to all who qualify as needy under AFDC and SSI. In 2008, Medicaid served over 58 million people at a cost of $204 billion.

Medicaid is jointly financed by states and the national government. The national government pays from 50–79 percent of Medicaid costs based on average per capita income (meaning poor states get more federal monies).

**Health Insurance** – Since the 1930s there has been some talk of creating a national health insurance program, however the AMA was opposed, as were drug companies, private insurance companies, and conservatives. The opposition managed to invoke the specter of communism and equated health insurance with “socialized medicine.” President Clinton established a committee to work to bring universal health care to Americans in the early 1990s but again fears of “socialized medicine” helped quash the measure. With more than 45 millions Americans uninsured and health care costs rising in the new century, President Obama campaigned to reform the health insurance system. In 2010 he signed into law the Patient Protection and Affordable Care Act after much debate and compromise in Congress. The main focus was creating health care exchanges that will insure all Americans access to health care or stay in their current private insurance. In addition, many other reforms such as tax incentives to businesses to offer health insurance and a prohibition on denying health coverage for pre-existing conditions.

**Public Health**—The government also plays a major role in funding research and prevention in infectious and chronic diseases. The public health is considered an important policy area for government, as it is in the national interest to have a healthy citizenry. Tools such as immunization, education, public service advertisements, and regulations all play a role.

American ideas of individuality and personal liberty can often conflict with the government’s interests in public health. Some religious sects object to vaccines. Some parents refuse to vaccinate their children because they fear complications more than the diseases the vaccines prevent. The Centers for Disease Control and other government agencies have set recommended nutritional and exercise guidelines but stop short of mandating them because that would conflict with American ideas about personal liberty to name just a few.

**The Evolution of Education Policy**

Education reform in the US focuses on three central values of American democracy: social and political order, individual liberty, and social and political equality. Reforms are shaped by which of these values predominates.

**The Foundations of Education Policy**

In colonial times education was administered separately in each colony. With the revolution and independence, education came to be seen as a means to instill national values and social order. Land was set aside for public education institutions. During the great immigration of the second half of the nineteenth century, education was seen as means of assimilation. Local
education had moved away from church-based instruction and developed into professional institutions funded by taxpayers. Influential educational theorist Thomas Dewey and his views of experiential learning have had great influence on American education.

Twentieth Century Challenges

The Cold War brought new focus to education policy. The government desired to stay abreast of the Soviet Union in technology and science and so used funding to promote expansion of teaching in these areas. The National Defense Education Act helped emphasize maths and science. During the Vietnam War, a split developed between liberal and conservative educational theorists.

Liberal Education Reforms

Liberals promoted equality and believed education was a means to help further his goal. The landmark civil rights ruling in *Brown v. Board of Education* heavily influenced liberal education thinking and led to passage of the Civil Rights Act of 1964 and the Elementary and Secondary Education Act to promote equality of educational opportunity. Federal courts also ruled in cases to promote equality in educational funding and access. With increasing federal government involvement in education policy, the Carter administration established the Education Department in 1979.

Conservative Reforms

Economist Milton Friedman promoted the concept of only private education. He believed any government involvement in education was an invasion of personal freedom. He believed a private education market place would improve education for all.

No Child Left Behind

The 2002 bipartisan reform legislation known as No Child Left Behind promoted high standards and measurable goals to try and improve education. Extensive testing is used to measure progress and flexible funding allows schools to develop their own means to achieve results. The national government would be the purveyor of best practices and help offer solutions. And finally, if schools continued to underachieve, students would have the choice to move elsewhere.

The Evolution of Energy and Environmental Policy

Concerns about energy and environmental issues have been cyclical. For years they were secondary concerns because the U.S. had abundant and relatively cheap coal. Fossil fuels were inexpensive. In the 1970s, both issues were center stage as costs for fuel rose and people demanded environmental protections due to a number of high profile environmental disasters such as the Cuyahoga river fire in 1969 and the publication of Rachel Carson’s *Silent Spring* (a book about the perils of pesticides). Reforms in the 1970s—the creation of the Environmental Protection Agency and the passage of the Clean Air Act among others—addressed clean water and clean air concerns, price increases for gas slowed, and the interest waned. But when energy costs began to rise peaking with $147 barrels of oil in July 2008 and global warming became a common point of discussion, these concerns moved to the front of the agenda, again.
Foundations of Energy and Environmental Policy

Energy Policy
The American economy in the post WWII era ran on cheap energy. We chose to invest in a highway system and personal cars instead of public transportation. We chose to use trucks to move most of our freight instead of railroads. These choices were made because fossil fuels looked abundant and were cheap. Then came the oil shock of 1973.

The oil embargo in 1973 saw a gallon of gas rise from 38 cents to 55 cents. Shrinking supplies led to the first rationing of gas since WWII. These events thrust energy policy into prominence. The government encouraged conservation by establishing a 55 mph speed limit, increased standards of fuel efficiency for cars, and changes in daylight savings time to reduce energy consumption. In 1975, the government established the Strategic Petroleum Reserve designed to minimize the impact of short term supply disruptions. In 1977, President Carter created the Department of Energy to implement energy policies. In 1978, Congress passed the National Energy Act that, among other things, imposed a ‘gas guzzler’ tax on cars that did not meet minimum MPG thresholds. An unintended consequence of this law was the rise of sport utility vehicles (SUVs). The law exempted cars over 6,000 pounds to minimize the impact on small businesses. That way the vans and trucks small businesses used would not be subject to the tax. Instead, car companies used the loophole to develop a new line of vehicles (minivans and SUVs) that were therefore exempt from the tax thus thwarting government efforts to encourage higher mileage cars.

Environmental Policy
The 1970s saw a flurry of environment policy making. Nixon signed a law requiring the completion of an environmental impact statement by federal agencies for all government projects and created the EPA to oversee environmental laws. Shortly afterward, Congress passed the Clean Air Act of 1970 followed in 1972 by the Clean Water Act, the Safe Drinking Water Act of 1974, and legislation about unsanitary landfills as well as hazardous waste (the Superfund act).

Energy and Environmental Policy Hibernates
As the 1980s dawned, interest in energy and environmental policies declined. Ronald Reagan was elected president and the mantra of deregulation came into vogue. The market should solve problems whenever possible and this ideology worked against active government regulation. Reagan reduced regulations on a host of industries including energy. He did not renew tax breaks and incentives for alternative energy development and took down the solar panels Carter had installed on the White House.

Coupled with a deregulatory attitude, the availability and price of oil and gas also conspired to reduce the salience of energy policy for the average American. Prices stabilized. There were no major supply disruptions. Americans began to forget about energy issues.

During the presidencies of George H. W. Bush and Bill Clinton, energy and environment were not major priorities either. The Clean Air Act was renewed under Clinton but little else was accomplished.
Energy and Environmental Policies Return to Prominence

In 2000, George W. Bush was elected president and the cornerstones of the new Bush energy policy were to allow drilling in Alaska’s Arctic National Wildlife Refuge, relaxing rules for the placement of new electrical transmission lines, and increased funding for clean coal initiatives.

A mere three of four months later, 9/11 hit and energy took on new national security overtones. By 2003, with American troops in Iraq and prices for gas rising, national dependence on foreign oil had become a hot button issue. Demands for energy independence grew.

At the same time, concerns about global warming were increasing. Scientists began warning that the burning of fossil fuels increased green house gases and was making the earth warmer in the 1980s. By 1997, most of the industrialized world agreed that climate change was a major international threat to the planet and the Kyoto Protocols called for reductions in greenhouse gas emissions. The United States refused to ratify Kyoto. Many state governments, however, have acted to reduce greenhouse gases.

Congress finally passed significant energy legislation in 2007 after the Democrats took control of both houses of Congress and the deregulatory fervor of the last 20 years was beginning to subside. Congress raised fuel efficiency standards for cars, ordered an increase in biofuels like ethanol, and began to phase out incandescent light bulbs in the U.S.

Many state governments have been leading the pack on the issue of alternative energy offering tax incentives or rebates to citizens for energy efficient and renewable practices. In 2008, 25 states had initiated Renewable Portfolio Standards (RPS) that set targets for electricity generation from renewable sources. Wind power, especially in the western states, is growing.

Toward Reform: Ongoing Challenges in Domestic Policy

In general, domestic policies are difficult and complex and are made more so by the general lack of knowledge and misinformation so common among Americans. The issues here are also complicated by ideology. We often tend to see the world through our ideological blinders, but particularly when talking about domestic policies, we need to get beyond that and really think about the issues and why we believe the way we do, using accurate information and common sense.

Health Policy – the Cost of Care: With advances in medical technology and longer life spans, health care costs have increased exponentially. And health care expenses are not shared evenly with 63 percent of costs incurred by 10 percent of the population. Increasing health care costs will adversely affect programs such as Medicare.

Education Policy: Implementing No Child Left Behind: These policies have been difficult to institute as critics argue it focuses too much on test score and leads to “teaching the test” rather than promoting critical thinking skills. Also others fear it will lead to further national government control of education policies and decisions. And finally the program has created new unfunded mandates for local and state governments.

The Obama administration supports the idea of national standards and testing for student progress. The president has also increased funding for traditional programs such as Head Start and Pell Grants.
Energy and Environmental Policy: Alternative Energy and Going Green: With the nation still heavily dependent on fossil fuels, governments at all levels have had to take the lead in promoting alternative, renewable energy sources.

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