

SOCIAL POLICY

- I. MAKING SOCIAL POLICY – review the prescription drug care legislation for older citizens on page 515
- II. THE ROLE OF THE FEDERAL GOVERNMENT IN SOCIAL POLICY
 - a. Early on, Americans believed in RUGGED INDIVIDUALISM which meant that if a person could not succeed, they just weren't working hard enough
 - b. State governments in the early 20th century extended needed relief to needy groups, especially the blind, old and orphaned
 - c. From the founding, national government took care of its veterans
 - i. The early programs assisting the military veterans established two important precedents for social policy in the U.S.
 1. The notion that some people would AUTOMATICALLY be entitled to certain government benefits on the basis of an eligibility requirement such as service to the nation's armed forces – ENTITLEMENT – provide to all citizens the benefits
 2. Established the government's right to restrict some benefits to only those citizens who could actually prove their need for help
 - a. MEANS-TESTED ENTITLEMENTS – such as Medicaid and welfare where applicants must meet eligibility requirements based on need
- III. TYPES OF SOCIAL POLICY
 - a. In 2008, 1,250 domestic funding programs; the vast majority created in the 20th century

b. THE GOALS OF SOCIAL POLICY

- i. Because most social programs are restricted to one group of citizens only, they are often described as CATEGORICAL AID;
- ii. Focuses on two broad goals:
 1. Protect citizens against social and economic problems by creating a SOCIAL SAFETY NET – relief of unemployed workers, health care for the elderly, shelter for the homeless, or school lunch program
 2. Raise the quality of life for all through programs for improving air quality, building infrastructure, fighting crime; formula is based on population, not need
- iii. Most scholars believe that the federal government’s effort to protect citizens trace back to the Great Depression and the Social Security Act of 1935

c. TYPES OF PROTECTION – even though by the early 1900s people still distinguished between the worthy (no fault) and unworthy (lazy) poor, the Congress and president invented to different types of federal programs (progressive era)

- i. PUBLIC ASSISTANCE- or welfare; aid to the poor
 1. Most are means-tested entitlement programs
 2. Incorporates elements of job training, transportation subsidies, housing subsidies, free school lunches, food aid to poor and pregnant mothers, and tax credits for low-income people
 3. Federal government also provides “corporate welfare” programs such as corporate bailouts

4. In absolute numbers, most poor people are white; as a percentage, most are African American or Hispanic; more women than men
- ii. SOCIAL INSURANCE- eligibility is based on prior contributions to government, usually in the form of payroll taxes; Social Security and Medicare
 1. Many federal programs partner up with state programs
 2. Since states vary in generosity, the federal goal is to set minimum standards of support that individual states can augment.

IV. THE EXPANSION OF SOCIAL POLICY IN THE 20TH CENTURY

- a. The Great Depression of 1929 was the catalyst for the growth of social policy in the 20th century
- b. THE NEW DEAL – most significant expansion of federal social policy; began to make loans to states and localities to help the poor; Social Security, unemployment insurance, Aid to Families with Dependent Children
 - i. THE FIRST 100 DAYS – Federal Emergency Relief Administration (FERA); WPA, CCC; the “big bang” of social policy
 - ii. HELP FOR OLDER CITIZENS- SOCIAL SECURITY – 1935- most popular social program – two goals
 1. Provide minimum income for poor beneficiaries
 2. Ensure that benefits bear a relationship to amount of payroll taxes (contributions) a beneficiary actually paid
 3. Covers 90% of workforce currently

4. Expanded in 1939 to cover dependents of workers who died; 1954 disabled
 5. Social Security is funded solely from payroll taxes through the Federal Insurance Contribution Act (FICA)
 6. Largest tax most U.S. workers pay; 6.2% up to \$94.2K and an additional 1.45% for all pay for Medicare
 7. “Pay as you go” system; huge problem with underfunded account; less workers and more beneficiaries
 - a. Cut benefits, raise taxes on workers, raise age requirement or a combination; difficult politically
 8. Other program is MEDICARE- created in 1965 under Great Society with LBJ. Medical insurance for older citizens
 9. Third program, also in 1965 under LBJ, is MEDICAID – medical care for low income people
- iii. HELP FOR THE UNEMPLOYED AND LOW-INCOME WORKERS
1. Also done in 1935- up to 26 weeks of pay for unemployed workers; extended to 39 weeks in most states for recessions
 2. Federal minimum wage standards; \$7.25 in 2009
 3. New Deal set foundation for Earned Income Tax Credit (EITC) for low wage earners; 2004, 21MM received more than \$36BB
- iv. HELP FOR THE POOR
1. Infancy and Maternity Protection Act of 1921 led the way for Aid to Families with Dependent Children (AFDC) program in 1935

- a. States match federal funds with own contribution
 - b. Establish a means-test for all families
 - 2. Also school lunch program
- c. THE GREAT SOCIETY – LBJ in the ‘60s
 - i. Johnson’s agenda was broad and Congress enacted a great amount of it’ greatly increased the role of government in health, education and welfare
 - 1. FOOD STAMPS
 - 2. HEAD START
 - 3. MEDICARE
 - 4. MEDICAID
 - 5. SUPPLEMENTAL SECURITY INCOME
 - 6. HOUSING ASSISTANCE
 - ii. REFORMING WELFARE
 - 1. Clinton in 1996 won passage of the Personal Responsibility and Work Opportunity Act which replaced the New Deal’s AFDC with Temporary Assistance for Needy Families (TANF); limited the period of time one could receive welfare benefits
 - a. Law initially excluded legal immigrants, but changed to accept them from pressure from governors
 - b. Number of welfare recipients has declined significantly since passage
 - c. Still hard to assess success due to circumstances that are hard to measure; working for minimum wage

V. SOCIAL POLICY CHALLENGES FOR THE FUTURE: HEALTH, EDUCATION AND CRIME

- a. Review figure 19-1 on page 527
- b. THE FEDERAL ROLE IN HEALTH CARE

- i. Medicare is just one of the federal government's many health programs
- ii. The surgeon general of the United States is arguably the most visible health care official in government
- iii. Dozens of federal agencies work to improve public health such as the Center for Disease Control (CDC)
- iv. Two major issues: the rising cost of health care and covering the uninsured

1. THE RISING COST OF HEALTH CARE

- a. Health care costs have quadrupled, taking into account inflation, since 1970
- b. All workers pay for increasing health care costs
- c. Good news is people are living longer
 - i. Puts greater demands on the health care system
 - ii. Advances in technology puts additional costs into the system
- d. Bad news is some costs have nothing to do with saving lives or preventing disease; medical malpractice suits and insurance artificially raise prices
- e. Costs have risen due to new technologies that are now widely available: MRIs vs. X-rays
- f. Some cost cutting is available through people taking better care of themselves; reduction in smoking; regulated; sin taxes

2. COVERING THE UNINSURED

- a. Approx. 60MM people are uninsured at some point during the year

- b. Some work and are above the poverty line (don't qualify for Medicaid), but employers don't sponsor health care
 - c. Some change jobs and lose health care benefits
- 3. GOVERNMENT INSURANCE –single-payer system; government, using taxes, covers the cost of health care and hospitalization and sets the rates; like Canada
 - a. Critics claim it would lead to huge bureaucracy and little incentive for innovation, cost control, or diversity of coverage
 - b. Business leaders generally oppose single-payer government system due to taxes and deficit.
- 4. PREPAID HEALTH PLANS- to contain costs, HEALTH MAINTENANCE ORGANIZATIONS (HMOs) were created in the 70s and 80s in which individuals and/or their employers pay a set amount in return for health care and hospital coverage
 - a. During 80s and 90s enrollment increased fourfold
- 5. REQUIRED EMPLOYER COVERAGE – more than 161MM U.S. workers get some form of medical insurance from their employers; difficult for small businesses; tax breaks could help
- 6. SPENDING CAPS- due to increased costs and higher percentage of GDP spent, many want the national government to impose an overall spending cap on all health care

- a. Medical care organizations oppose the idea

7. INDIVIDUAL RESPONSIBILITY FOR COVERAGE- eliminate all employer-provided benefits and have individuals all buy for themselves much like automobile insurance.

- a. Provides incentive to shop for lowest price, force competition and provide lower rates for healthy individuals

8. MEDICAL SAVINGS ACCOUNTS – 1996 Congress authorized tax-deductible HEALTH SAVINGS ACCOUNTS to which employees make contributions

- a. Supporters believe they will eventually lower health care costs

c. THE FEDERAL ROLE IN EDUCATION

- i. Started in 1785 with the Northwest Ordinance where Congress set aside land in every township for a public school
- ii. Continued in 1862 with the Morrill Land-Grant Colleges Act; provide grants of land for universities; A&M
- iii. 1958 in response to Soviet Union's Sputnik, Congress passed the National Defense Education Act to upgrade science, language and mathematics courses

iv. ELEMENTARY AND SECONDARY EDUCATION

- 1. Generally seen as the individual states' responsibility
- 2. Due to differences in wealth in different districts, major variation in quality of education

3. Hesitant to go directly into funding public schools, but in 1964, created the Head Start program
 4. 1965 Congress passed the Elementary and Secondary Education Act (ESEA) to supply materials for underprivileged schools students and research funds for helping disadvantaged children
 5. No Child Left Behind in 2002 mandated test score proficiency
 - a. Did not increase federal funding; schools complained
- v. HIGHER EDUCATION
1. 2008, 70% OR \$25BB of financial aid that college students receive
 2. 1998 Congress added three new programs
 - a. GEAR-UP supports early interventions in high school for college prep
 - b. Learning Anytime Anywhere Partnerships (LAAP) provides federal funds for distance learning through the Internet
 - c. A new initiative that is designed to improve teacher quality in primary and elementary schools
- d. THE FEDERAL ROLE IN CRIME CONTROL
- i. Like education, primarily a state and local issue
 - ii. Federal government acts more like a banker
 1. Provides grants to hire own police officers, build more prisons, improve drug enforcement, and prosecute organized crime
 - iii. Enforces its laws primarily through the Department of Justice
 1. Includes the FBI, DEA, ATF

- iv. Terrorism is the federal government's top crime priority today.
 - 1. 9/11 passed a massive antiterrorism law
 - 2. President created the Office of Homeland Security
 - 3. Under the USA PATRIOT Act of 2001, federal government was given sweeping authority to conduct secret investigations of suspected terrorists
 - a. Critics point to a reduction in personal liberties and freedoms

VI. THE POLITICS OF SOCIAL POLICY

- a. Welfare, health care, education and crime are strong battlegrounds between the parties and ideologies
- b. Question is how strong and overpowering should the social net be
- c. Divided in how much should we depend on Social Security, Medicaid and Medicare, No Child Left Behind
- d. Citizens can influence social policy
 - i. Join interest groups
 - ii. Write letters
 - iii. Volunteer for charities