

AP US GOVERNMENT

CHAPTER 14: THE FEDERAL BUREAUCRACY: THE REAL POWER?

- ◆ Our food is safer, health care better, air cleaner all because of federal rules/laws.
- ◆ Despite its reach, and perhaps because of it, Americans have a love-hate relationship with the federal government. We want more of virtually everything government delivers, from social security to national park, yet we often complain that government is too big.
- ◆ As the intense emotions of September 11 faded, so did the newfound trust in government.
- ◆ Red tape- comes from the ribbon that English civil servants once used to tie up and bind legal documents. Today we think of it as inevitable- waiting for government services, etc. but these same rules and regulations ensure that public servants act impartially and holds them accountable.

DEFINING THE FEDERAL BUREAUCRACY

- ◆ Bureaucrat- a career governmental employee.
- ◆ Whether they are called bureaucrats or federal employees, 2.7 million Americans work in the executive branch.
- ◆ Six big agencies- Departments of the Army, Navy and Air Force, Veterans Affairs, Homeland Security and the Postal Service- tower over the others in size.
- ◆ Most agencies are responsible directly to the president.
- ◆ Agencies exist by act of Congress; legislators can abolish them either by passing a new law or withholding funds.
- ◆ Bureaucracy- a rational, efficient method of organization. The term refers to the whole body of un-elected and unappointed government officials in the executive branch who work for presidents and their political appointees.
- ◆ Bureaucracies are public or private organizations that are large and hierarchical, with each employee accountable to a superior through a chain of command.
- ◆ They provide each employee with a defined role or responsibility, base their decisions no impersonal rules, and hire and promote employees according to job-related skills.
- ◆ Bureaucracies in the modern sense exist to provide predictability and efficiency and to minimize the arbitrary practices that so often characterized rule under monarchs.
- ◆ Bureaucracy is virtually inevitable.

How is the Federal Government Organized?

- ◆ Public administration scholars classify the organizations of government into 4 broad categories:
 - ◆ 1. Departments- the largest federal organizations of all and have the broadest missions.
 - ◆ 2. Independent Agencies- smaller and have more focused responsibilities

- ◆ 3. Independent Regulatory Commissions- similar to agencies but are designed to be free from partisan control.
- ◆ 4. Government Corporations- designed to operate much like private business.

Departments

- ◆ cabinet departments are the most visible organizations in the federal bureaucracy.
- ◆ 15 departments of government employ more than 70% of all federal and civil servants and spend 93% of all federal dollars.
- ◆ Measured by total employees, the largest department is the Department of Defense (Army, Air Force, Navy) next is Veteran Affairs, Homeland Security, Treasure, IRS and Justice.
- ◆ Measured by budget, the Department of Health and Human Services comes first, followed by Defense.
- ◆ The greatest expansion in the number of departments occurred between 1945-1990: Health, Education and Welfare, HUD, Transportation, Energy, Veterans Affairs were all created.
- ◆ One approach to department building is to use a department to collect a number of related programs under one broad umbrella, or conglomerate.
- ◆ The other approach is to use a department to give added visibility to a popular issue such as education, housing, or energy or to a large group of Americans such as the elderly or workers.
- ◆ These departments are not conglomerates, but highly specialized voices for a specific group of Americans- they are often tied to interest groups as well.
- ◆ Clientele agencies- those that owe much of their survival to the strength of the constituency groups.

Independent Regulatory Commissions

- ◆ All were designed to “get on the backs” of people and corporations, whether to protect consumers, regulate stock markets, oversee federal election laws, monitor TV and radio, regulate business, control the supply of money, or to watch over nuclear power plants.
- ◆ CHART PG. 357- PRINCIPLES OF BUREAUCRATIC MANAGEMENT
- ◆ Commissions may be small in budget and employees, but their influence over American life is great.
- ◆ Alan Greenspan, is the most important leader in influencing public confidence about the economy.
- ◆ Although independent regulatory commissions are part of the federal bureaucracy, they have a measure of independence from both Congress and the president through their leadership structure.
- ◆ They are headed not by a single executive but by a small number of commissioners who are appointed by the president, with Senate confirmation, for fixed terms of office.

- ◆ They cannot be removed from office without cause, as a result, they are less responsive to political pressure.
- ◆ Their annual budgets must be approved by Congress, and their decisions are subject to judicial review.

Independent Agencies

- ◆ Applied to a regulatory commission, the word independent means that the agency is outside the president's control.
- ◆ Applied to an agency or administration, it merely means "separate" or standing alone.
- ◆ Independent agencies must report to the president.
- ◆ They are small federal bureaucracies that serve specific groups of Americans or work on specific problems.
- ◆ Becoming an agency is often the first step toward becoming a department.
- ◆ They are usually headed by an administrator.
- ◆ There are 60 such agencies today: such as EPA, CIA, NASA, NSA, SBA.
- ◆ Independence increases each agency's ability to focus on its mission, independence also weakens its willingness to cooperate.
- ◆ The spread of independent agencies can also increase confusion about who is responsible for what in federal government.
- ◆ Independent agencies can be more important to the president than some cabinet departments, particularly when an issue such as international spying or global warming is in the headlines. And both usually have a seat at the cabinet's conference table.

Government Corporations

- ◆ Government corporations are intended to act more like businesses than like traditional government departments and agencies.
- ◆ They are designed to make money through the sale of services such as rail tickets or stamps, they are generally given more freedom from the assorted rules that control what agencies do.
- ◆ There are between 31-47 government corporations, such as Corporation for Public Broadcasting, US Postal Service, Amtrak, Americorps

Informal Organizations

- ◆ Bureaucrats differ in attitudes, motives, abilities, experiences and political clout, and these differences matter
- ◆ Leadership can be influenced by friendships, "knowing" someone in another department, etc.
- ◆ Informal organization can have a significant effect on administration. (CHART PG. 359)
- ◆ Such informal organization and communication, cutting across regular channels, are inevitable in any organization- public, private, military or civilian.

Who Leads the Bureaucracy?

- ◆ Every department and agency of the federal bureaucracy is headed by a presidential appointee, who is either subject to confirmation by the Senate or appointed on the sole authority of the president.
- ◆ They serve at the pleasure of the president and generally leave their posts at the end of that president's term in office.
- ◆ There are 4,000 presidential appointees.
- ◆ Senior Executive Service- 7,000 members contains the most senior career officers of the federal bureaucracy. They are career professionals who continue their posts regardless of who happens to be president and are selected on the basis of merit, not political history or campaign contributions.
- ◆ Presidents have no influence over who gets chosen to be a member of the Senior Executive Service.
- ◆ Political and career executives constitute the leadership corps of the federal bureaucracy.
- ◆ The federal government has "thickened" with more layers of leadership and more leaders at each layer.
- ◆ Theory of public bureaucracy- bureaucratic organizations constantly seek to enhance their power, whether by creating new titles, adding more staff, or increasing their budget.

How Did the Bureaucracy Evolve?

- ◆ Congress not only wanted to restrict the president's removal power for all officer but also sought to continue the Constitutional Convention debate over who should run the Department of the Treasury.
- ◆ The Senate's proposals would have sharply limited the president's authority to execute the laws and were eventually defeated on close votes.
- ◆ Spoils System- a system of public employment based on rewarding party loyalists and friends. Began under Andrew Jackson's reign in 1828. At the time, with each new president, came a full turnover in the federal service.
- ◆ Pendleton Act- set up a limited MERIT SYSTEM- based on testing program for evaluating candidates. Federal employees were to be selected and retained according to their "merit" and their party connections or loyalty.
- ◆ Civil Service Reform Act- 1978, abolished the Civil Service Commission and split its functions between two new agencies. It was made to eliminate the possible conflict of interest in an agency that recruits, hires, and promotes employees and also passes judgement on grievances, etc.
- ◆ Office of Personnel Management- OPM, administers civil service laws, rules and regulations, and protects the integrity of the federal merit system and at the rights of federal employees.
- ◆ PG. 363- CHART

WORKING FOR GOVERNMENT

- ◆ The federal government employs nearly 2.7 million civilian federal workers and 1.4 million uniformed military personnel. It also employs 1 million

postal workers, 5.6 million employees under federal government contracts, and 2.6 million whose salaries are covered by federal research and construction grants.

- ◆ The federal government will spend almost \$1.8 Trillion in fiscal year 2002.
- ◆ The federal government is composed of many small parts that administer thousands of different programs.
- ◆ The CDC- Centers for Disease Control is just one of them that is responsible for a variety of federal programs- including immunizing children. Every dollar it spends immunizing children against measles, mumps, and rubella saves \$21 in future health costs and every dollar spent on vaccinations for diphtheria, pertussis and tetanus saves \$29.
- ◆ The CDC and its 8,000 employees do more than operate the national vaccination program- they also conduct deep research on some of the nation's most troubling health issues.

Myths About Government

- ◆ Americans believe a number of myths about the federal bureaucracy.
- ◆ **Realities are:**
 - ◆ Only 15% of career civilian employees actually work in the Washington D.C. area- the rest are scattered around the country.
 - ◆ More than 25% of civilian employees work for the Army, Navy or Air Force, 30% work for the Postal System
 - ◆ Fewer than 10% of bureaucrats work for welfare agencies such as Social Security or Veterans Affairs.
 - ◆ Federal civilian employees are more broadly representative of the nation than legislators or politically appointed executives in terms of social origin, education, religion and other background factors.
 - ◆ Most federal employees are white-collar workers: secretaries, clerks, lawyers, inspectors, and engineers.

The Hiring Process

- ◆ Today's civil service system was designed to reduce political corruption by promoting merit in the hiring process.
- ◆ It regulates the hiring process to make sure that merit is the only basis for employment and regulates what federal employees can and cannot do by way of political participation.
- ◆ OPM delegates to the individual agencies the responsibility for hiring new personnel, subject to its standards.
- ◆ OPM typically certifies the top three applicants for the opening, and the agency normally selects one of these.
- ◆ Sometimes they give military veterans extra credit in the hiring process.

Regulating the Civil Service

- ◆ Hatch Act- 1939, Congress passed an act designed to neutralize the danger of a federal civil service being able to shape, if not dictate, the election of presidents and members of Congress. It permitted federal employees to vote in government elections, but not to take an active part in partisan politics
- ◆ 1993- Congress, under Clinton, overhauled the Hatch Act and made many forms of participation in partisan politics permissible. It still bars federal civil servants from running as candidates in partisan elections, but it does not permit most federal civil servants to hold party positions and involve themselves in party fund raising and campaigning.
- ◆ PAGE 365- LIST OF RULES FEDERAL EMPLOYEES CAN/CANNOT DO

The Role of Government Employee Unions

- ◆ Since 1962, federal civilian employees have had the right to form unions or associations that represent them in seeking to improve government personnel policies.
- ◆ American Federation of Government Employees
- ◆ Unlike unions in the private sector, federal employee unions lack the right to strike and are not able to bargain over pay and benefits. But they can attempt to negotiate better personnel policies and practices for federal workers, they can represent federal bureaucrats at grievance and disciplinary proceedings, and they can lobby Congress on measure affecting personnel changes.
- ◆ The federal government is viewed by many young Americans as an employer of last resort, partly because of lower wages paid by government, compared to the private sector. There is a pay gap of 25-30% between comparable federal and private jobs.

THE BUREAUCRACY'S JOB

- ◆ All federal organizations share one job: to implement the laws.
- ◆ Implementation- the process of putting a law into practice through bureaucratic rules or spending. Covers a broad range of bureaucratic activities, from Social Security checks to inspecting job sites, swearing in new citizens, monitoring air traffic, etc.
- ◆ Administrative Discretion- authority given by Congress to the federal bureaucracy to use reasonable judgment in implementing the laws. The freedom often varies from agency to agency.
- ◆ Most agencies implement the law through two means:
 - ◆ Regulations- formal instructions for either running an agency or for controlling the behavior of private citizens and organizations
 - ◆ Spending- which involves the transfer of money to and from government.

Making Regulations

- ◆ Regulations- the formal instructions that government issues for implementing laws. They are designed to convert laws into action and to tell people what they can and cannot do, as well as what they must or must not do.
- ◆ Although all these rules can be traced back to legislation, they provide the details that most laws leave out.

- ◆ Rule making process- the formal process for making regulations that is governed by the Administrative Procedure Act. Enacted in 1946 to make sure that all rules are made visible to the public, the act requires that all proposed rules be published in the Federal Register.
- ◆ Publication in the federal government's newspaper marks the beginning of what is known as the "notice and comment" period in which all parties affected by the proposed regulation are encouraged to make their own opinions known to the agency.
- ◆ Rules have the force of law and can become the basis for legal challenges.
- ◆ All rules are subject to the same judicial review that governs formal laws.

Spending Money

- ◆ The federal bureaucracy also implements laws through spending, whether by writing checks to more than 35 million Social Security recipients a year, buying billions of dollars' worth of military equipment, or making grants to state governments and research universities.
- ◆ Federal spending more than doubled over the past half-century but has recently begun to shrink in the wake of the end of the cold war in 1989.
- ◆ Federal spending continues to rise each year, driven in part by the cost of caring for a rapidly aging population.
- ◆ Uncontrollable Spending- 1) programs in which financial payments are required for all Americans who are eligible, such as Social Security, and 2) programs that require more federal spending each year automatically through cost-of-living increases or interest on the national debt.
- ◆ Uncontrollable spending sharply limits the amount of the federal budget that is actually subject to debate in any given year.
- ◆ The largest share of uncontrollable spending comes from Social Security and Medicare, which are guaranteed to any American who has paid taxes into the program for enough years. The aging of the American population means that more older people than ever will qualify for Social Security or Medicare, so uncontrollable spending will almost certainly rise over the next few decades.
- ◆ A much smaller share of the uncontrollable budget involves welfare for the poor, which is linked to economic performance.
- ◆ Welfare for the poor is not the only welfare in the federal budget.
- ◆ American businesses receive a substantial amount of welfare, including tax breaks, for companies that manufacture prescription drugs in Puerto Rico, farmers who raise sugar cane in Florida, and mining companies that extract minerals from US land.
- ◆ Entitlements- programs such as unemployment insurance, disaster relief, or disability payments that provide benefits to all eligible citizens. They account for \$800 billion in 1999-2000, over half of the federal government's \$1.8 trillion budget.
- ◆ Indexing- providing automatic increases to compensate for inflation, regardless of how the economy is doing.

HOLDING THE BUREAUCRACY ACCOUNTABLE

- ◆ Presidents are not the only ones who want to control the bureaucracy- Congress too, clearly worries about making bureaucracy work better.

Accountability to the President

- ◆ Modern presidents invariably contend that the president should be in charge, for the chief executive is responsive to the broadest constituency.
- ◆ The voters' wishes can be translated into action only if the bureaucrats support presidential policies.
- ◆ Under our Constitution, the president is not even the undisputed master of the executive structure.
- ◆ Presidents come into an ongoing system over which they have little control and within which they have little leeway to make the bureaucracy responsive.
- ◆ The president has some control through the powers of appointment, reorganization and budgeting.
- ◆ A president can attempt to control the bureaucracy by appointing or promoting sympathetic personnel, mobilizing public opinion and congressional pressure.
- ◆ Some critics suggest that a president's hand could be strengthened if the chief executive were able to make two or three times as many political appointments.

Accountability to Congress

- ◆ Congress has a number of ways to exercise control over the bureaucracy, whether by establishing agencies, formulating budgets, appropriating funds, confirming personnel, authorizing new programs or new shifts in direction, conducting investigations and hearings or even terminating agencies.
- ◆ Much of this authority is used to help constituents as they battle federal red tape.
- ◆ Congress deserves at least some of the blame for creating the red tape in the first place- by demanding special attention for their constituents, members of Congress may undermine the fairness of the entire process.
- ◆ The brutal fact is that only a small minority of the 535 members of Congress would trade the present bureaucratic structure for one that was an efficient, effective agent of the general interest- the political payoffs of the latter are lower than those of the former.
- ◆ Congress can do all these things, but individual members of Congress generally find reasons not to do so.
- ◆ Members of Congress, come to think they know more about particular agencies than the president does.

Accountability Through Oversight

- ◆ Oversight- the process of monitoring day-to-day activities that sometimes encourages agencies to perform better or at least deter from worse performance.
- ◆ Presidents can put loyal appointees into the top job as at key agencies, can direct White House aides to oversee the work of certain agencies, or can call cabinet meetings to learn more about what is happening in the bureaucracy.
- ◆ Presidents tend to use the OMB for most routine oversight.
- ◆ Departments and agencies must get the president's approval before testifying before Congress on pending legislation.
- ◆ Central Clearance System- OMB forwards communications to Congress in 3 categories:
 - ◆ 1. "In accordance"- with the president's program, reserved for the presidents' top priorities.
 - ◆ 2. "Consistent With"- the president's program, indicating the president's second-tier priorities.
 - ◆ 3. "No Objection"- no objection from the president, nor support.
- ◆ Congress also has a number of tools for overseeing the federal bureaucracy, such as the individual members of Congress themselves who are free to ask agencies for detailed information on just about any issue.
- ◆ Congress uses this information as a basis for committee and subcommittee hearings on specific agencies or programs.
- ◆ **2 types of oversight:**
 - ◆ 1. Police Patrol- in which the two branches watch the bureaucracy through a routine pattern.
 - ◆ 2. Fire Alarm- in which the two branches wait for citizens, interest groups, or the press to find a major problem and pull the alarm.

The Problem of Self-Regulation

- ◆ The problem is that many bureaucrats often learn by hard experience that they are more likely to get into trouble by attempting to improve or change programs than if they just do nothing.
- ◆ They sometimes become more skillful at building political alliances to protect their own organization than at building political alliances to ensure their programs' effectiveness.
- ◆ Career administrators usually try hard to be non-partisan, yet they are inevitably involved in politics.
- ◆ Special-interest groups that perceive real or potential harm to their interests cultivate the bureau chiefs and agency staffs who have jurisdiction over their program.
- ◆ Despite these and other flaws, Americans still get substantial value from the federal bureaucracy.

◆ PAGE 373/373 CHART OF BUREAUCRATIC SUCCESSES