

EQ #28 What is the Federal Bureaucracy and What do they do?

Chapter 15- The Federal Bureaucracy

Consensus Definition

- What is a bureaucracy? Create a definition with your best guess. NO GOOGLE!! Your thinking!
- Pair share and refine your definition.
- Report it out!

What are the Characteristics of a Bureaucracy?

- A bureaucracy is an organizational structure used to divide up complex daily tasks among workers in the federal government.



Traits of a Classic Bureaucracy...

- Classic bureaucracy (Max Weber) Traits
 - Hierarchical authority structure
 - Uses task specialization
 - Operate on the merit principle
 - Behave with impersonality
 - A well-organized machine with lots of working parts.



What is our federal bureaucracy?

- Watch video clip –
- <http://study.com/academy/lesson/what-is-the-bureaucracy-role-structure-characteristics.html>
- Note the characteristics of the federal bureaucracy as you watch...

Why do we need a bureaucracy?

- The government executes many laws and serves hundreds of millions of Americans
- We need experts with technical skills as well as a huge work force to carry out the tasks necessary for each law and policy

What's wrong with bureaucracy?

- Bureaucracies often frustrate us because...
- Read *Bureaucratic Pathologies*...



Bureaucratic Pathologies

- Why are Bureaucracies sometimes Ineffective?
 - 1 Red Tape-Lots of rules and procedures
 - 2 Conflict- Different department goals
 - 3 Duplication-Overlap of duties and responsibilities
 - 4 Imperialism-Federal agencies tend to grow
 - 5 Waste- Red tape often leads to waste

What is the Federal Bureaucracy?

- Is composed of all the agencies, departments, offices and bureaus within the federal government
- There are over 2.7 MILLION civilian federal bureaucrats and 1.5 million in US military.
- Up to 10 million more work indirectly—as contractors, or for state and local gov't.
- They are unelected
- They are part of the executive branch and carry out the laws passed by Congress.

Prompt Analysis

- Mark up your prompt; Alone
- Underline verbs / actions
- Box limiters (ONE, TWO)
- Circle Key Vocab

Brainstorm / Plan

- Discuss prompt with table partner
- Brainstorm thinking
- Sketch an outline

Write

- No intro
- Label each component part of your Response
- Use the same sentence stems from the prompt in your answer

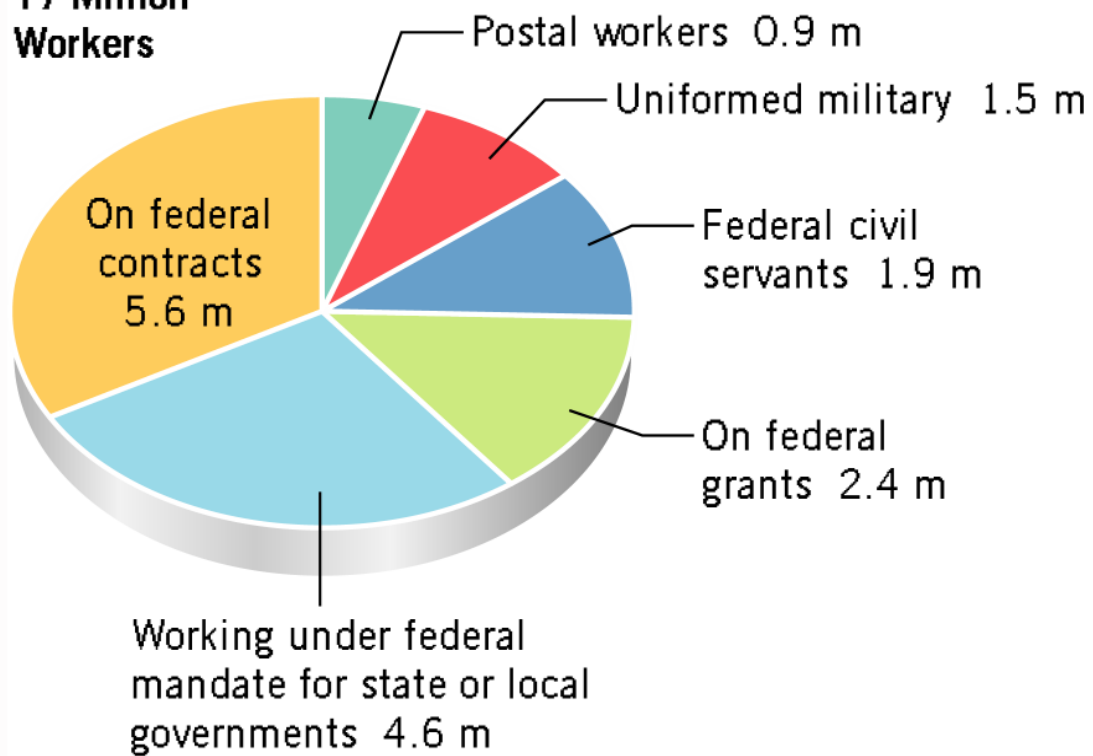
Thursday

- Seating Chart
- Sign-up Sheet for AP exam(s)
- How is the Bureaucracy Organized



The Bureaucrats

**17 Million
Workers**



Who are the Bureaucrats?

- **Bureaucrat:** Is an employee of the federal government who works to carry out its laws
- State governments have bureaucrats, too.
- TSA at airports
- Postal clerks
- DMV workers

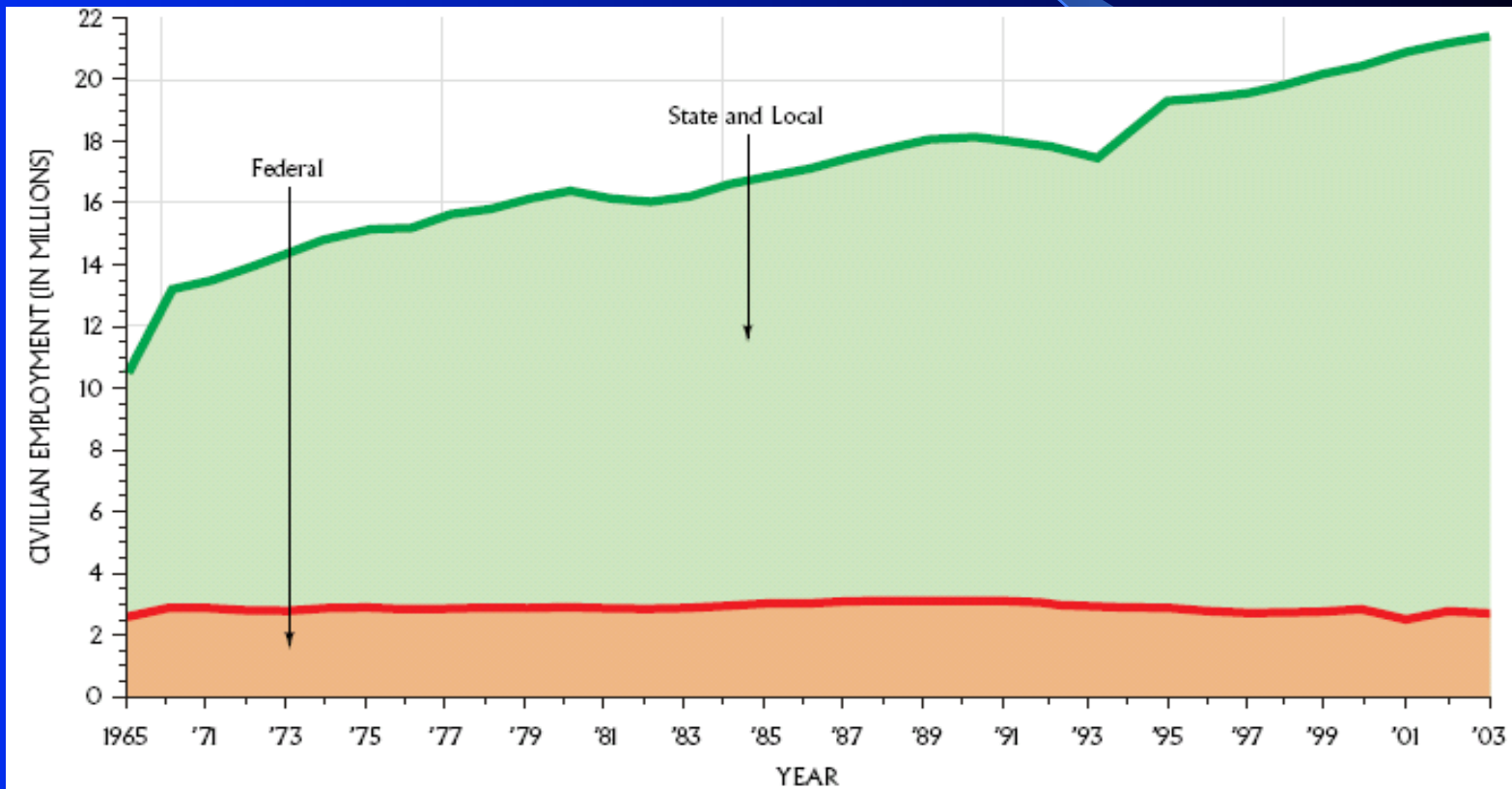


How do Americans View our Bureaucracies?

- Some Bureaucratic Myths:
 - Americans dislike bureaucrats.
 - Bureaucracies are growing bigger each year.
 - Most federal bureaucrats work in Wash, D.C.
 - Bureaucracies are ineffective, inefficient and always mired in red tape. (Show Film Clip on Perceptions of the Bureaucracy)

The Bureaucrats

- Growth in Civilian Government Employees (Figure 15.1)



Source: *Budget of the United States Government, Fiscal Year 2005: Historical Tables* (Washington, D.C.: U.S. Government Printing Office, 2004), Table 17-5.

Who are the Bureaucrats?

- Who They Are and How They Got There
 - Bureaucrats are the MOST demographically representative part of government. NOT elected.
 - Diversity of jobs mirrors the private sector.

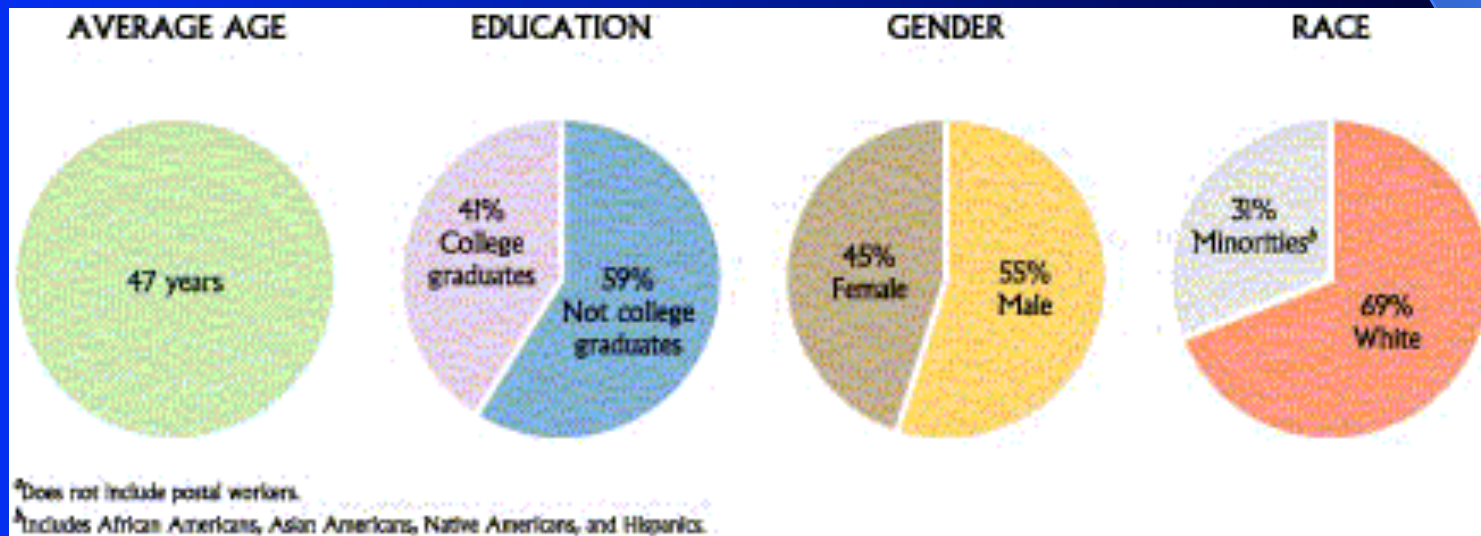


Figure 15.2

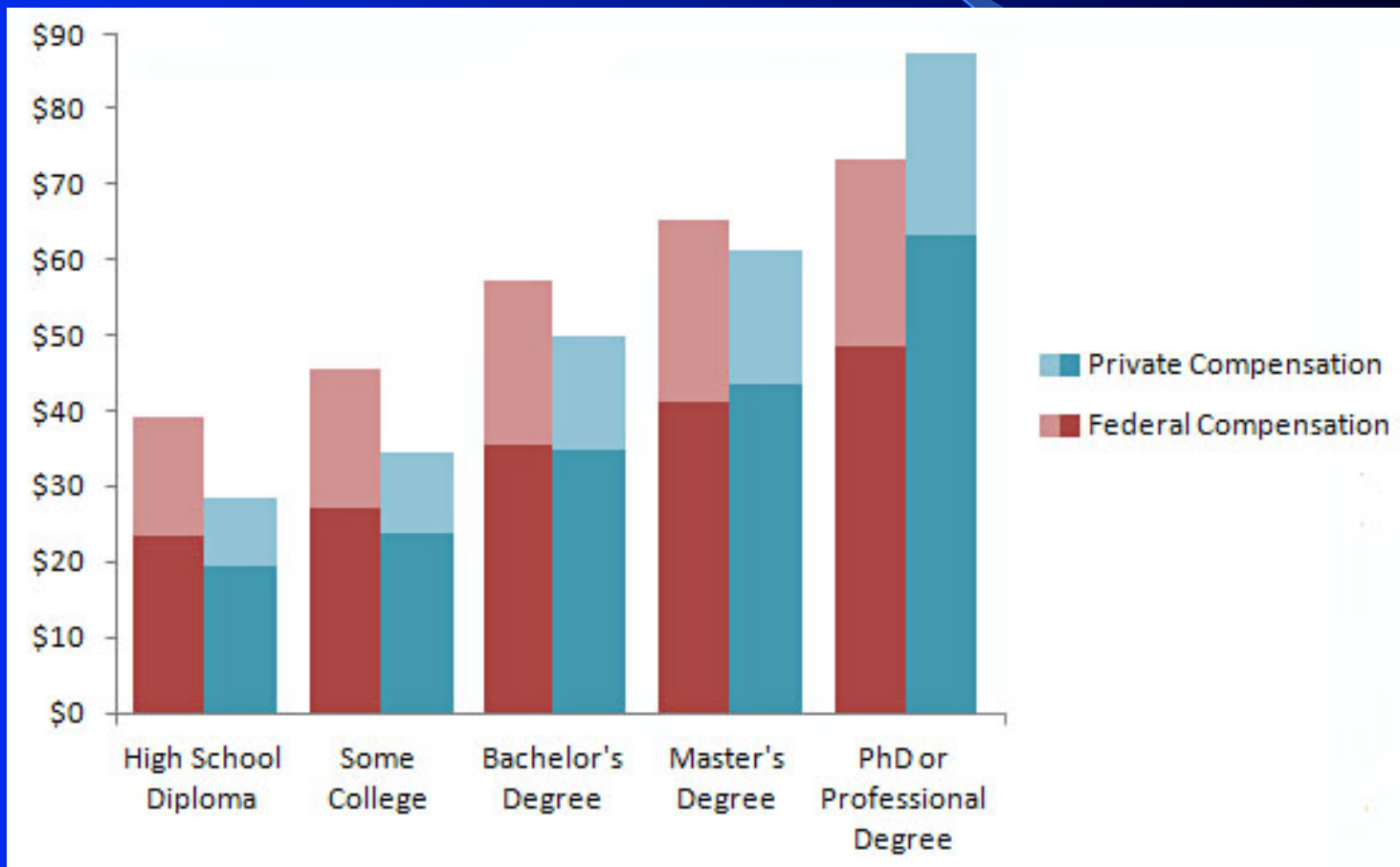
How do bureaucrats get their jobs?

- Bureaucrats are hired (NOT elected) in one of two ways
 1. Through the Civil Service System
 - Take an entrance exam
 - Hiring and promotion based on merit (talent and skill) NOT patronage (job given for political reasons)
 - Office of Personnel Management: The federal office in charge of most of the government's hiring.

The Bureaucrats- What do they earn?

2011 General Schedule (GS) Base Rates (\$) by Grade and Step (no change from 2010)											
Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Within Grade
1	17,803	18,398	18,990	19,579	20,171	20,519	21,104	21,694	21,717	22,269	552
2	20,017	20,493	21,155	21,717	21,961	22,607	23,253	23,899	24,545	25,191	646
3	21,840	22,568	23,296	24,024	24,752	25,480	26,208	26,936	27,664	28,392	728
4	24,518	25,335	26,152	26,969	27,786	28,603	29,420	30,237	31,054	31,871	817
5	27,431	28,345	29,259	30,173	31,087	32,001	32,915	33,829	34,743	35,657	914
6	30,577	31,596	32,615	33,634	34,653	35,672	36,691	37,710	38,729	39,748	1,019
7	33,979	35,112	36,245	37,378	38,511	39,644	40,777	41,910	43,043	44,176	1,133
8	37,631	38,885	40,139	41,393	42,647	43,901	45,155	46,409	47,663	48,917	1,254
9	41,563	42,948	44,333	45,718	47,103	48,488	49,873	51,258	52,643	54,028	1,385
10	45,771	47,297	48,823	50,349	51,875	53,401	54,927	56,453	57,979	59,505	1,526
11	50,287	51,963	53,639	55,315	56,991	58,667	60,343	62,019	63,695	65,371	1,676
12	60,274	62,283	64,292	66,301	68,310	70,319	72,328	74,337	76,346	78,355	2,009
13	71,674	74,063	76,452	78,841	81,230	83,619	86,008	88,397	90,786	93,175	2,389
14	84,697	87,520	90,343	93,166	95,989	98,812	101,635	104,458	107,281	110,104	2,823
15	99,628	102,949	106,270	109,591	112,912	116,233	119,554	122,875	126,196	129,517	3,321

How does it compare to private sector pay?



How are the Bureaucrats Hired?

2. Also hired through “spoils” or “patronage”
System (i.e. presidential recruitment).

- These are positions largely awarded for loyalty
and political reasons.

– the Plum Book - lists the very top jobs
available for Presidential appointment.

- These are high profile jobs (ambassadorships,
cabinet positions).
- These positions require Congressional approval

What Federal Laws Have Affected How Bureaucrats are Hired?

- Reform: Too many patronage/spoils appointments by presidents led to ineffective leadership in the bureaucracy and a need for reform it.
- Pendleton Civil Service Act, 1883
 - Created the Civil Service and Office of Personnel Mgmt so that most bureaucrats are hired based on merit rather than patronage
- Hatch Act, 1940
 - A federal law prohibiting government employees from active participation in partisan politics

Bureaucracies: Which are the Largest?

1. Department of Defense has the most employees—many are soldiers (NOT civilians)
2. US Postal Service has most CIVILIAN (600,000)
 - Overall, the number of federal bureaucrats has NOT increased in decades
 - Bureaucrats are not easily removed

How Bureaucracies Are Organized?

1. Cabinet Departments

- 15 Cabinet departments oversee and carry out policy
- Each is supervised by a secretary
- Appointed by the P and approved by the Senate
- Each has its own budget & staff

- View Film Clips on the Cabinet

List of Cabinet Departments

- Vice President of the United States-
- 1 Department of State –
- 2 Department of Treasury-
- 3 Department of Defense-
- 4 Department of Justice- Attorney General
- 5 Department of Interior-
- 6 Department of Agriculture-
- 7 Department of Commerce-
- 8 Department of Labor-

Cabinet Departments

- 9 Department of Health & Human Services-
- 10 Department of Housing & Urban Development-
- 11 Department of Transportation-
- 12 Department of Energy-
- 13 Department of Education-
- 14 Department of Veterans Affairs-
- 15 Department of Homeland Security –

Friday

- Turn in green sheets for AP Sign-up today!!
- If you're not sure about the test and need to talk to me first, let's do that! It's ok!
- The forms can be turned in later if no accommodations are needed but we prefer to get them in this week!

Friday

WARM-UP

- 1. What branch is the bureaucracy in?
- 2. List FIVE characteristics of our federal bureaucracy.
- 3. Describe the TWO ways you get employed by the federal bureaucracy?
- 4. ID the terms- Civil service, office of personnel management, Hatch Act

How Bureaucracies Are Organized

2. REGULATORY AGENCIES (EPA, FDA)

- Oversee a particular policy area & its laws
- Create regulations that protect people
- Can enforce regulations by inspecting businesses and judging disputes
- Headed by a commissioner (confirmed by Congress) rather than a secretary
- Closely involved with interest groups that want to influence regulations

Minding the store

The Obama administration wants to beef up oversight of the financial sector, which could result in some agencies being expanded, merged with other agencies or abolished. A look at six of the major players:



Federal Reserve

1913

Function	The nation's central bank; sets monetary policy; oversees bank holding companies and state-chartered banks that are members of the Fed system
Head	Chairman Ben Bernanke
Leadership	Seven-member Board of Governors, appointed by the president, confirmed by the Senate; serve 14-year term
Status	Independent government agency; subject to congressional oversight
Funding	Interest on government securities, foreign-currency investments and loans to depository institutions; fees for services



Federal Deposit Insurance Corporation

1933

Function	Oversees state-chartered banks that are not members of the Fed system; insures deposits in banks and savings banks; resolves bank failures
Head	Chairman Sheila Bair
Leadership	Five directors, including comptroller of the currency and the director of OTS; appointed by the president, confirmed by the Senate
Status	Independent government agency
Funding	Premiums that banks and savings banks pay for deposit insurance; earnings on investments in U.S. Treasuries



Office of Thrift Supervision

1989

Function	Oversees savings and loan banks and their holding companies
Head	Acting director Scott Polakoff
Leadership	Director, appointed by the president, confirmed by the Senate
Status	Office within the Treasury
Funding	Assessments on savings and loan industry



Office of the Comptroller of the Currency

1863

Function	Oversees all national banks and the federal branches of foreign banks in the U.S.
Head	Comptroller John Dugan
Leadership	Comptroller, appointed by the president, confirmed by the Senate; five-year term
Status	Office within the Treasury
Funding	Assessments on national banks; revenue from investments, primarily in U.S. Treasuries



Securities and Exchange Commission

1934

Function	Oversees stock exchanges, brokers and dealers, investment advisors, mutual funds; enforces securities law
Head	Chairman Mary Schapiro
Leadership	Five commissioners, including the chairman, appointed by the president
Status	Independent government agency
Funding	Fees and penalties; funding from Congress



Commodity Futures Trading Commission

1975

Function	Oversees commodity futures exchanges and commodity trading firms
Head	Acting chairman Michael Dunn
Leadership	Five commissioners, including the chairman, appointed by the president
Status	Independent government agency
Funding	Funding from Congress

What's missing

Some financial institutions and products that are not federally regulated

- Insurance companies (regulated by states)
- Derivatives (securities whose value is derived from underlying assets, such as mortgage-backed securities)
- Hedge funds
- Private equity firms

© 2009 MCT
Source: Federal Reserve, Federal Deposit Insurance Corp., Office of Thrift Supervision, Office of the Comptroller of the Treasury, Securities and Exchange Commission, Commodities Futures Trading Commission
Graphic: Pat Carr



How Bureaucracies Are Organized

3. GOVERNMENT CORPORATIONS

- Publicly owned businesses
- Perform services for a fee
- US Postal Service, Amtrak, FDIC are examples

How Bureaucracies Are Organized

4. INDEPENDENT EXECUTIVE AGENCIES

- All other executive agencies
- NASA is an example; CIA is also
- Most were created for a specific purpose
- Head are appointed by the President & approved by Senate

What do Bureaucrats Do?

- Read the handout. Discuss with table partner.
- What do bureaucrats do?
- Does the bureaucracy have a large effect on the average American's life? Explain.
- What is *discretion* and why is it necessary in the bureaucracy? What are the risks/rewards of discretion?

What do bureaucrats do?

1. Implementation
2. Regulation
3. Administration



What do Bureaucrats do?

1. Implementation

What is Implementation?-

Carrying out Congress' laws and executive orders of the President.

– Implementation includes:

- Creating / assigning an agency the law to carry out
- Establishing guidelines; working out details
- Overseeing day-to-day operation of the federal government

Why is implementation flawed?

- Policy Implementation is NOT always successful because:

1. Program design by Congress / the law is flawed.

- Congress was unclear about its goals
 - Congressional laws are ambiguous and imprecise.
 - Sometimes the laws conflict with each other.
- Congress made a law but didn't provide resources (\$ or staff)

Why is implementation flawed?

- Policy Implementation is NOT always successful because:
 2. An agency can become mired in its standard operating procedures (SOP) and fail to see what else needs to be done
 - SOP-are the rules and policies that govern the department or agency
 - There may be confusion if several departments are involved in carrying out the law

Why are implementation problems hard to fix?

- Changing the bureaucracy to make it more efficient is unlikely
 - This would disrupt well-established iron triangles (congressional committees, the agencies they oversee and interest groups)
 - These have a stake in maintaining their status quo so resist reforms.

Monday

- Article- Bureaucracy and Cabinet Departments handout
- Wrap-up “What does the bureaucracy do?”
 - Regulation
 - Administration

Article 911 & Bureaucracy

1. What are some examples of bureaucratic weakness, according to the final report from the Sept. 11 commission?
2. What is meant by the expression “bureaucratic imagination”?
3. To what do “good people” and “bad structures” refer in the commission’s report?
4. What is an example in the article of “bureaucratic imagination” playing a detrimental role?

What do bureaucrats do?

#2 Regulation- Rules

2. **Regulation:** Is the use of rules and government authority to control or change a practice in the private sector.

- Example- the EPA sets clean air standards for industry
- Check, verify and inspect businesses and industry

2. Regulation

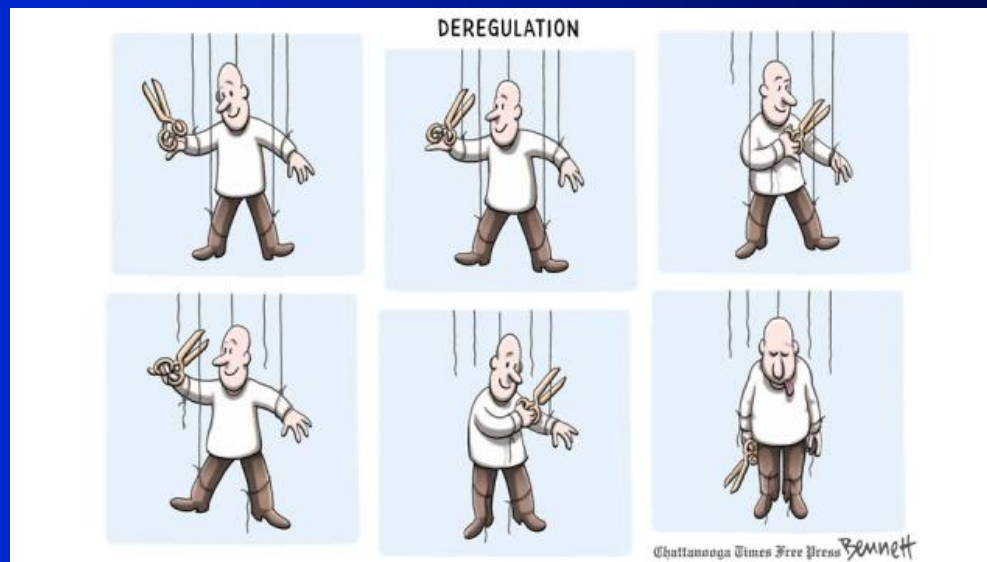
- Examples - Include site inspections for safety, pollution standards and fair economic practices.
- Provide checks and balances on businesses and industry.
- Are there too many rules???

Some call for Deregulation

- DEREGULATION: The call to lift restrictions or ease rules on business & industry.
- Regulations / Rules problems-
 - Businesses resent too much regulation!
 - It can raise prices and cost businesses profit
 - It can hurt U.S.'s competitive position abroad
 - Rules don't always work as intended

Problems with Deregulation

- Too few rules- Can lead to abuse and greed (Great Recession) that costs citizens economically
- Can lead to pollution and degraded resources
- Can lead to unsafe working conditions



What do Bureaucrats do?

#3- Administration

- What is Administration?
 - Federal agencies (FDA, OSHA, etc.) complete routine administrative work and provide services to citizens
 - EXAMPLE- Issue licenses (food handler cards; medical and teaching licenses; approves passports)
 - EXAMPLE- Send Social Security checks to beneficiaries

What do Bureaucrats do?

- Now summarize the THREE things that bureaucrats do...
- 1. Implementation
- 2. Regulation
- 3. Administration

EQ #29- Why is the Bureaucracy so Powerful?

- What are the checks and balances on the bureaucracy?

Why is the bureaucracy so powerful?

- Read the article “The Bureaucracy is Now More Powerful than Congress”

“The Bureaucracy is Now More Powerful than Congress”

- Read. Answer the questions with a partner
 1. What is the author’s thesis?
 2. What role does he say Congress has played in the growth of bureaucratic power?
 3. Why should the growth of bureaucratic power be reigned in? How should it happen?
 4. What do you think?

Why is the Bureaucracy so Powerful?

1. Their work is ESSENTIAL-

*The public needs the work done by the agencies.

* As we rely on them, they become more powerful.

Ex-Air Traffic Control

Why is the Bureaucracy so Powerful?

2. They have EXPERTISE-

*The employees and agencies have technical knowledge and skills that the public lacks.

Examples-

*The FDA inspects the meat supply.

*The NRC inspects nuclear power plants.

Why is the Bureaucracy so Powerful?

3. Laws are unclear. They must use their DISCRETION to carry them out.
 - * Bureaucrats are relied on to decide how to carry out laws passed by Congress.
 - * Laws are often vague / imprecise out of necessity and bureaucrats fill in the blanks to do the work the law intended.
 - * This is intentional and necessary. Why?

Why is the Bureaucracy so Powerful?

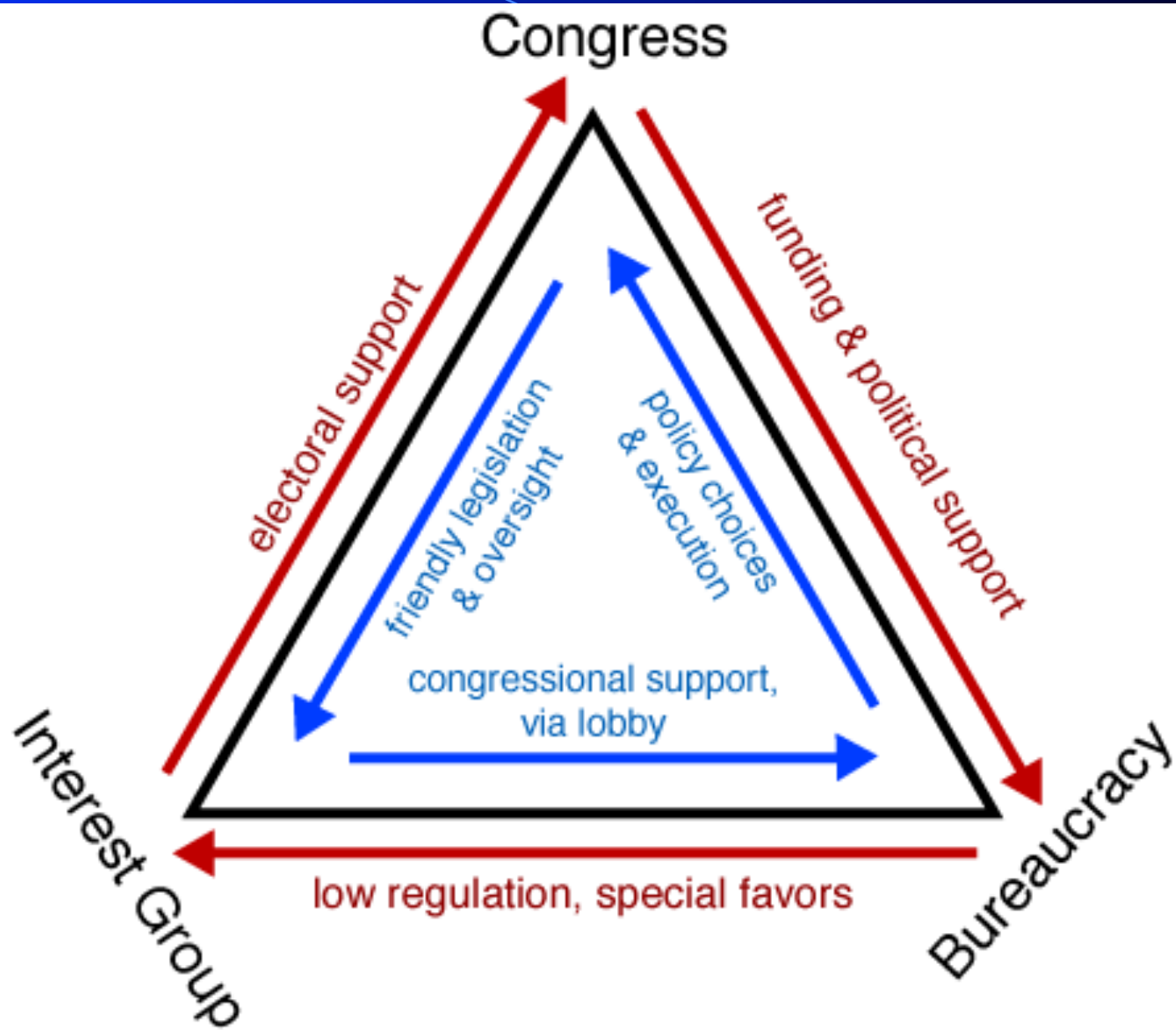
- 4. Members of the bureaucracy form CLIENTELE GROUPS / IRON TRIANGLES-
- The people who use or benefit from an agency are powerful interest groups who help provide influence for an agency.
- MORE political power in an agency = it's less likely to get its budget cut.
- Ex- Farmers and Dep't of Ag.

Iron Triangles

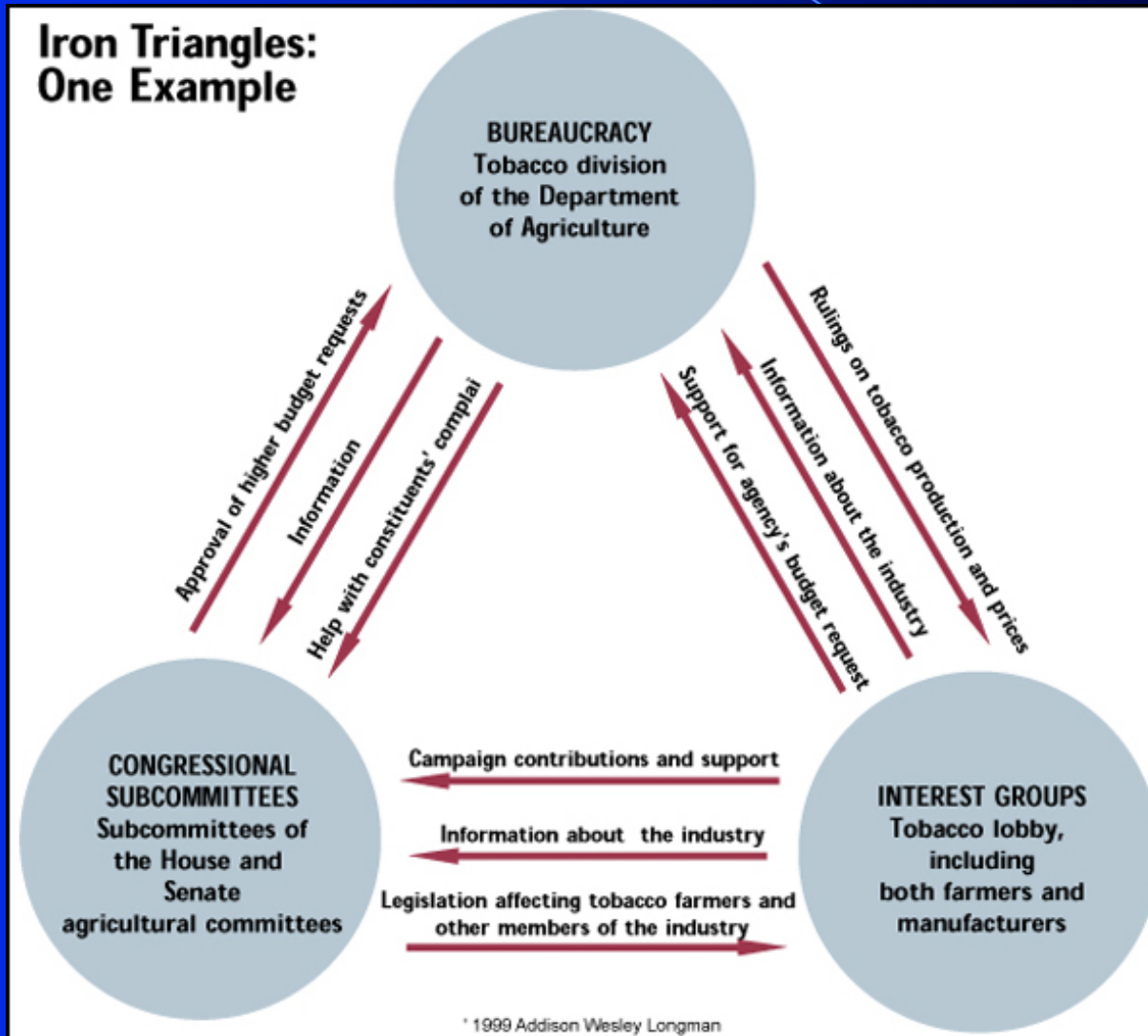
Because of this power, Subgovernments or iron triangles form around key policy areas (defense, agriculture,...)

-They consist of

1. An interest group
2. A federal agency and
3. A legislative (Congressional) committee



Iron Triangle Example



How is the bureaucracy Checked?

- The Bureaucracy's Power has grown over time due to complexity of the world and vague laws from Congress
- How can it be balanced?

How is the Bureaucracy Limited?

- The bureaucracy is NOT easily checked because carrying out laws requires the use of interpretation and discretion.
- In what ways is it possible to check and balance the bureaucracy?
- Pass out Organizer on Checking the Bureaucracy

How does the P check the bureaucracy?

1. APPOINTMENT - P appoints all of the top bureaucrats (with Congressional approval)
2. EXECUTIVE ORDERS- have the force of law & are used to direct the bureaucracy's work
3. P can reorganize an agency
4. P can tinker with an agency's budget request

How does Congress Check the Bureaucracy?

1. Congress has the power to create and eliminate all federal agencies;
2. Congress controls the budget for all bureaucratic agencies and departments
3. Congress must approve all spending by executive branch
4. Can hold oversight hearings
5. Can re-write laws to clarify

How does the Judicial Branch Check the Bureaucracy?

1. JUDICIAL REVIEW-

- Courts can determine if an action by the Bureaucracy is constitutional. This restrains the Bureaucracy if it goes too far.
- Courts can strike down actions by the bureaucracy that violate the constitution

2. DUE PROCESS- Interest groups can sue the government if unfairly affected by BUR