

AP GOVERNMENT KEY TERMS

Unit 5: PUBLIC POLICY

1. **Appropriations Committee:** Congressional committee that deals with federal spending
2. **Agenda setting:** Advocating a set of issues, problems, or subjects that gets the attention of, or is viewed as important by people involved in policymaking
3. **Bipartisanship:** Support from both parties for policy, e.g., a bipartisan foreign policy
4. **Defense Department:** Chief executive department responsible for formulation and implementation of US military policy
5. **Deficit spending:** The federal government's practice of spending more money than it takes in as revenues
6. **Discretionary spending:** The portion of the budget that the President requests and Congress appropriates every year. It represents less than 1/3 of the federal budget, while mandatory spending accounts for around 2/3
7. **Entitlements:** Federal benefit payments to which recipients have a legal right, e.g., Social Security. Also known as uncontrollable spending
8. **Federal Reserve Board:** A board that sets member banks' reserve requirements, controls the discount rate, and makes other economic decisions regarding monetary policy for the US government
9. **Fiscal policy:** Government policy that attempts to manage the economy by controlling taxing, spending, and the federal budget
10. **Flat taxation:** A tax that requires everyone to pay the same rate, no matter their income level
11. **Mandatory spending:** Spending not controlled by annual budget decisions (nondiscretionary spending)
12. **Means tested spending:** Government programs providing benefits only to individuals who qualify based on specific needs
13. **Medicaid:** Federally funded medical care for the poor
14. **Medicare:** Federally funded medical care for the elderly
15. **Monetary policy:** The Federal Reserve Board's regulation of the supply of money in circulation
16. **NAFTA:** Also known as the North American Free Trade Agreement. Created to allow the free movement of goods between Canada, Mexico, and the US by lessening and eliminating tariffs
17. **National debt:** Total debt owed by the federal government due to past borrowing
18. **National Security Council (NSC):** Created to coordinate the President's foreign and military policy and includes the President, Vice President, Secretary of State, and Secretary of Defense, and is managed by the President's National Security Advisor
19. **Progressive taxation:** A tax graduated so that people with higher incomes pay a larger fraction of their incomes than people with lower incomes
20. **Regressive taxation:** A tax whereby people with lower incomes pay a higher fraction of their incomes than people with higher incomes
21. **Social welfare policy:** Policies that provide benefits to individuals based on their entitlement or means testing
22. **State Department:** The federal department in the United States that sets and maintains foreign policy
23. **Tariff:** Tax levied on imports to help protect a nation's industries, labor, or farmers from foreign competition
24. **Treasury Department:** The treasury of the United States federal government. It mints all paper currency and coins in circulation. The department also collects all federal taxes and manages the U.S. Government debt
25. **Ways and Means Committee:** House committee where taxation bills originate