

1. **Collective Decisionmaking Sometimes Unstable:** Solutions
  - all require
  - Some sort of rules
  - Some means to monitor compliance
  - Some means to sanction violations
  - Institutions provide the structure to the political process that provides for stability
2. **Comparing Major Taxes:** Sales tax
  - Most popular with voters
  - Regressive
  - Volatile
  - Uncertain future with Internet Sales
  - Income Tax
  - Moderately popular
  - More progressive
  - More stable
  - Property Tax
  - Least popular
  - Moderate regressive
  - Substantial local variation (in both taxes and services)
3. **Competing Pressures on Public Universities:** Citizens and students want
  - Affordability
  - Quality (especially teaching)
  - Access
  - Career preparation
  - Faculty/universities want
  - Resources
  - Well-prepared students
  - Academic freedom
  - Liberal Arts education
  - Professional prestige (often based on research)
  - States want:
    - Happy voters
    - Economic Development
4. **Constitutions and Gay Marriage:** Several State Supreme Courts concluded that gay couples could not be denied the right to marry based on interpretations of their state's constitution
  - Hawaii 1993 (changed by amendment in referendum in 1998)
  - Full faith and credit clause implied that all states would have to recognize marriages performed in any other state
  - Role of the US Constitution/Supreme Court
  - US Supreme Court had previously upheld a federal law banning polygamy (Reynolds v. US, 1879) and several state laws defining marriage, but overturned a Virginia law banning mixed race marriages (Loving v. Virginia, 1967)
  - But the US Supreme Court has also granted states 'public policy' exceptions (Ex. States not compelled to extradite prisoners who might face the death penalty)
5. **Costs of Healthcare:** Why so expensive?
  - Demand for:
    - Quality
    - Aggressive care
    - Choice
  - Those without coverage turn to expensive alternatives
  - Unhealthy society
  - Legal costs of malpractice (?)
  - Why are costs rising?
    - Prescription drug costs
    - Decline of managed care
    - Rising costs and demand for long-term care
6. **Current Status of Gay Marriage:** Massachusetts, Connecticut and California issue marriage licenses to same sex couples
  - RI recognizes same-sex marriages from other states
  - CT, VT, NJ, NH allow civil unions and provide state-level spousal rights to same-sex couples
  - CA and OR provide nearly all state-level spousal right to unmarried couples
  - HI, ME, DC, WA, MD provide some state level spousal rights to unmarried couples
7. **Defining Politics:** A process of making collective decisions that resolve conflicts. In government, politics ends up determining which set of values will guide public policy
  - A focus on the process
  - Makes politics dynamic
  - Makes politics independent of outcomes/values
  - Opens the door for participation
  - A focus on collective decisions
  - All members can participate in decisions
  - Results of decisions apply to/affect all members of the group
8. **Disparity in School Funding:** Wide variance across states
  - Average spending per pupil, 2002-3 was \$8,600
  - High: New York, \$13,211
  - Low: Utah, \$5,237
  - North Carolina, \$7,057
  - Wide variance within states
9. **Education Performance:** Became a national issue with Nation at Risk report in 1983
  - Measuring performance is hard
  - Testing
  - School-based discretion
  - Merit pay
  - School Choice
  - Let the market decide

10. **Education Policy: Compulsory Education**  
 Adopted in all states for elementary grades by 1918  
 In 1900:  
 10% of 14-17 year-olds were enrolled in High Schools  
 2% of 18-24 year-olds were enrolled in College  
 Now, most states have a Constitutional provision to provide for public education  
 Competing(?) Goals:  
 Educated/Trained Workforce (Economics)  
 A literate and cultured society (Social Policy) Largest programmatic expense for state/local governments  
 About 50% from State Govt.  
 About 43% from Local Govt.  
 Heavy reliance on property taxes  
 About 7% from National Govt.  
 Much targeted to poverty relief and special education
11. **Federalism and Morality Policy:** Morality policy is often a classic case of pressure valve politics in morality policy  
 Permits Utah and Nevada to differ  
 Permits 'dry' counties and regulation of 'adult' industries  
 Permits variation in Abortion restrictions  
 Occasional snowball effect  
 Backlash  
 1996 Defense of Marriage Act  
 Multiple State constitutional bans after 2004  
 Pressure for a US Constitutional Amendment
12. **Federalism and Policy Diffusion:** Local level innovation affects state policy action  
 Snowball effect—local adoptions create pressure for state to act  
 More likely in states with Professionalized legislatures and with strong interest groups in the policy area  
 Pressure valve effect—local adoptions reduce pressure for states to act  
 More likely in states without Professionalized legislatures and with weak interest groups in the policy area  
 Some states adopt policies to preempt local action
13. **Financial Constraints faced by States:** National Economy  
 State's economic base  
 Amount of federal aid  
 Legal Constraints  
 Tax limits (in some States)  
 Balanced Budget Amendments
14. **Fundamental Institution of Federalism:** The interplay between the levels of government plays out every day  
 Example: AZ immigration law  
 Local police can/must stop anyone suspected of being an illegal immigrant and require them to produce proof of legal status  
 Local sheriffs differ on support/enforcement  
 Federal government contemplating legal challenge  
 Other governors and Senators voicing concern for policy
15. **Gay Marriage: The Response:** Many States have passed laws or amended constitutions to prohibit same-sex marriage  
 California and Prop 8 in 2008  
 US Government passed the Defense of Marriage Act (1996)  
 Defines marriage in terms of federal law as between one man and one woman  
 Allows states to deny marriage rights to same-sex couples married in other states  
 Is this Constitutional?
16. **Health and Welfare Policy:** Historically, responsibility for such policies began at local, then state levels  
 Health care spending has been the fastest growing part of state government budgets in the last 10-15 years  
 Substantial variance across states in content of health care policy and levels of spending  
 About 40M people in the US do not have health insurance  
 About 37M people in the US live in poverty  
 Family of four household income under \$20, 650
17. **Higher Education: Funding:** National Average: 18% from Tuition (but growing rapidly)  
 Low: 10% CA  
 High: 40% VT  
 NC is at 21%  
 National Average: 11% Federal Govt.  
 National Average: 36% State Govt.  
 Low: 14% VT  
 High: 55% GA  
 NC is at 47%  
 Rest from Local Govt., private gifts, endowment income
18. **History of Morality Policy in the US:** Morality based politics is not new to the US  
 Pilgrims and Puritans  
 Abolition  
 "Free silver"  
 WJB—"Shall not crucify mankind upon a cross of gold"  
 Prohibition  
 Abortion  
 Frequent link to religious faith and traditions  
 US is a very religious country among Western Industrialized countries  
 Founding history and rhetoric around that reinforces religious themes  
 Recent morality policy has reinforced this link
19. **How do new policies spread?:** Learning from other states  
 Competition with other states  
 Both processes facilitated by  
 Geographic proximity  
 National professional organizations  
 National Governors Association; National Conference of State Legislatures  
 National interest group organizations

20. **How Public Opinion is linked to Policy:** Linked highly  
 There is a direct connection  
 Opinion also affects several intervening factors  
 More liberal states have more citizens who call themselves Democrats  
 States with more Democrats elect more Democrats to the legislature  
 More liberal states have more liberal political elites  
 States with more liberal political elites AND more Democrats in legislature have a more liberal legislature  
 States with a more liberal legislature have more liberal policies  
 But there is still a direct affect of public opinion
21. **How Stable is State Ideology and State Policy:** The results we just saw are based on cross-sectional comparisons among states  
 What about opinion change and partisan change within a state over time?  
 EWM report stability in state ideology over time  
 What has changed more is state partisanship, mainly in the South  
 But state ideology in the South has not changed  
 A similar, though less dramatic shift has happened in the Northeast, where state with moderate to liberal populations have become more Democratic in party identification  
 The result: where the direct correlation between state partisanship and state ideology used to be minimal, it has now emerged more clearly  
 This also feeds into the so-called "Red State/Blue State" phenomenon
22. **Impact of Declining State Support:** Lower State Support linked to:  
 Big jumps in tuition  
 Lower graduation rates  
 Lower enrollment rates  
 Increased Pressure on Universities to raise funds from other sources:  
 Private donors  
 Grants  
 Private Companies
23. **Income Tax:** On individuals  
 Usually progressive  
 About 5 brackets, typically from 2.6% to 6.5%  
 Easy to administer  
 Flat rate in a few states (i.e., a proportional tax)  
 On corporations  
 Usually flat rate  
 Businesses threaten to relocate if rate is too high  
 Income tax is generally more stable than the sales tax
24. **Institutions and the Social Contract:** Institutions formalize the social contract  
 Emphasis on protection from each other, protection from the government, or positive pursuit of socially "good" outcomes dictates institutional design  
 Institutions define the "Rules of the Game", and they are NOT neutral to the outcome
25. **Issue Evolution and Morality Policy:** Policy begins in equilibrium—current policy reflects dominant moral values  
 Policy shock occurs  
 Disrupts the equilibrium  
 Mobilizes and counter-mobilizes activist and "policy entrepreneurs"  
 NOTE: often preceded by incremental challenges to the status quo, but generally not yet framed in moral terms  
 Initial extremism in both actions and proposals settles into incrementalism  
 Tensions reduce, new equilibrium potentially reached, but often tensions remain just below the surface  
 Who appoints the next US SC Judge?
26. **Legislating Morality:** Hard to find Compromise  
 Leads to frustration and "outsider" politics  
 Easier to pass laws than to enforce them  
 Monitoring morality is difficult  
 Many still want to engage in the activity  
 Those charged with enforcement may not want to  
 Some argue that making immoral activities illegal simply drives them underground and creates more problems than it solves  
 Prohibition and illegal drugs relative to organized crime  
 Prostitution and drug use relative to disease control  
 Abortion relative to illegal abortion  
 Big question: Does it work?
27. **Major Health and Welfare Policies:** Social Security (adopted 1935)  
 Retirement program for the elderly  
 Federal  
 SSDI—Worker disability insurance  
 Unemployment insurance  
 Joint federal and state program: States set most benefit and eligibility requirements  
 Medicare (adopted 1965)  
 Medical care for the elderly  
 Federal  
 Medicaid (adopted 1965)  
 Medical care for the poor  
 Joint federal and state program Aid For Families with Dependent Children (AFDC--Welfare)  
 Created in 1935  
 Federally funded, but run by states  
 Entitlement program  
 AFDC replaced in 1996 by Temporary Assistance for Needy Families (TANF)  
 Mostly federally funded, but run by states  
 Block grant program  
 Much greater flexibility for states  
 Benefits other than cash are often provided

28. **Morality Policy and Ideology:** Book generally frames Morality policy as conservative attempts to use government to ban or restrict immoral behavior  
There are many examples of this  
Prohibition, bans on same-sex marriage and inter-racial marriage  
But there are many examples of the reverse  
Abolition, ERA, other "rights" movements  
The general pattern of traditional values being challenged by new ideas/values/policies generally lies at the heart of morality policy debates
29. **Morality Policy Debates:** Focus on right and wrong regarding fundamental values  
Generally framed in simple non-technical terms  
Generally framed as "black and white" debates about policy goals, and NOT just the means to achieve some goal  
Book says that often only one side makes a morality argument  
That often depends on how you define the "right" to do something that others label "immoral"  
Thus, little room for compromise, and high potential for being polarizing
30. **Morality Policy in the States:** Text defines Morality Policy as policy on which at least one side (and often only one side) of the debate bases its arguments on basic moral values  
Morality policy often has little economic consequence. It is not about who gets what, but rather about right and wrong
31. **No Child Left Behind:** Provisions include:  
Certified teachers in the classroom  
Measures of performance (testing)  
Publishing results - "grades" for the schools  
Public school choice for students in "failing" schools  
Threat of loss of federal funds for failing  
Criticisms  
Not fully funded (requested \$13 billion and needed almost \$23 billion in 2006)  
Limits of standardized tests  
Encourages schools to set low expectations and alter reporting of performance
32. **Other Factors Shaping the State Opinion/Policy**  
**Linkage:** Population diversity  
States with more diverse populations tend to produce more liberal policy  
Political Competition  
States with more competitive legislative districts tend to produce more liberal policy  
Opinion Diversity  
More liberal state opinion produces more liberal state policy, but this affect is reduced somewhat when state opinion is more diverse
33. **Other Revenues:** Income from pension funds  
Rents, royalties, fines  
Liquor stores  
Utilities  
Investments, trust funds  
Lottery
34. **Property Tax:** Older tax than either income or sales tax  
Primary source of revenue for local governments  
States typically receive less than 2% of their revenue from property taxes  
Major source of funding for education, but also local services in general  
Levied as a flat rate per \$1,000 value of a property (the "mill rate" or "mill levy")  
Originally progressive, but increasingly regressive
35. **Property Tax Revolts:** Property Taxes generally unpopular  
Rising housing values drive up the tax even if incomes are not changing  
The value of your asset is growing, but not your income  
Proposition 13 in California (1978)  
Capped property tax rates  
Imposed 2/3rds majority rule for state legislature to raise other taxes  
Tied the state's hands regarding budgeting  
Forces tradeoffs in policy responsibility
36. **Proposed Education Reforms:** Spend more money  
Empowerment movement  
Back to Basics  
Standards and accountability  
School Choice  
Charter schools  
Vouchers
37. **Public Opinion and Policy in the States:** Link between opinion and policy is fundamental to representative government  
Economics v. Politics  
Problem of measuring public opinion  
Demographics  
Voting patterns  
Survey data  
Contemporary research affirms a strong link between public opinion and public policy across states
38. **Recent Examples of Federalism and Morality Policy:**  
Book offers nice overview, be familiar with them  
The "shock" of Roe v. Wade and the Hawaii Supreme Court decisions cannot be underestimated  
Both preceded by incremental and largely unnoticed chipping away at the existing equilibrium that was NOT defined in moral terms  
The "aftershocks" of Webster v. Reproductive Services in 1989 and Massachusetts in 2003-4 are also critical events  
The subsequent incrementalism parallels the preceding incrementalism, but in a political environment of higher visibility and tension
39. **Sales Tax:** General Retail Sales Tax  
Generally levied as a flat percentage  
Regressive—poor people end up paying a higher percentage of their income to pay the tax, progressive is when rich people pay a higher percentage of their income to pay tax  
Not particularly stable (boom and Bust)  
Efforts to broaden it to include services  
Difficult to levy on internet sales

40. **Sales Taxes and the Internet:** Many states levy sales taxes on internet sales  
 Business must collect and pay if it has a "physical presence" in the state, but not otherwise  
 Bella Hess (1967), Quill (1992)  
 Quill (1992) said Congress could resolve this, but it has not yet taken action  
 Many Companies created separate entities to avoid this  
 If not, citizens are "required" to pay a use tax  
 Hard to monitor, so essentially voluntary on most items
41. **Sin Taxes or Excise Taxes:** Type of sales tax (tobacco, alcohol, etc)  
 Raise revenue  
 Discourage "immoral" behavior  
 Some are earmarked for special purposes  
 Ex: gas taxes for highway construction  
 Can be levied at local level in certain areas  
 More than 460 local jurisdictions have own cigarette tax rates
42. **State Lotteries:** Popular with voters (41 states have one)  
 Viewed as a "voluntary tax"  
 About 30% of sales actually collected as taxes  
 Generally regressive, though the majority of the tickets are not purchased by poor people  
 Most are "earmarked" for education  
 Some evidence suggesting higher overall education spending as a result but some also of permitting the diversion of general revenue funds  
 Overall, generally a small share of education funding
43. **State Policy Innovation and Diffusion:** Some states adopt policies first  
 Wealthier states  
 More diverse populations  
 States with a moralistic culture  
 States facing a specific policy problem
44. **Taxes and Spending:** Important to understand how these two relate  
 Many of the services we come to rely on are based on state and local taxation  
 States vary in the sophistication and monitoring of their fiscal policy system  
 Fiscal Research Division of NC General Assembly
45. **The Social Contract:** Social Contract  
 Agreement between individuals/groups regarding rights of citizens and role/power of government  
 Liberal theory's Key elements  
 Popular sovereignty (not divine right)  
 Emphasis on reason (enlightenment)  
 Development of citizen rights  
 Limits on government
46. **User Charges:** Increasingly popular  
 Increasingly used as other tax limits are imposed  
 Common user charges include  
 Education Tuition  
 Tolls  
 Fees for parks, hospitals
47. **Who are the Poor and Uninsured:** Poor people more likely to be  
 Female (14.5%)  
 Minority (22-25%)  
 Lower education (23% less than HS)  
 Children (18.4%)  
 Uninsured more likely to be  
 Elderly  
 Low income people  
 Minorities 35% of uninsured are workers and their dependents who earn more than \$30K a year
48. **Who Controls Education Policy?:** Education policy is a hot-button issue  
 Long history of Local Control of Education in the U.S.  
 Curriculum  
 Segregation  
 Costs/Consolidation  
 States became more engaged when budgets for education increased  
 Courts forced more state involvement  
 21 States have state-wide curriculum  
 Federal Role  
 First involvement came with desegregation  
 U.S. Dept. of Education created in 1978  
 Now, involved in performance with No Child Left Behind