Unit VI Key Terms

Key Terms:Public Policy

(Underlines terms have appeared on the multiple choice sections of past released AP exams)

**Bipartisanship**: support from both parties for policy e.g., a bipartisan foreign policy.

**Budget deficit**: results when federal expenditures exceed federal revenues for a one year period.

**Deficit spending**: the federal government's practice of spending more money than it takes in as revenues.

**Deregulations**: elimination of federal regulations on private companies.

**Discretionary Spending**: refers to spending set by annual appropriation levels made by decision of Congress. This spending is optional, and in contrast to entitlement programs for which funding is mandatory.

**Entitlements**: federal benefit payments to which recipients have a legal right, e.g., Social Security. Also known as**uncontrollables.**

**Fiscal policy**: taxing and spending policies.

**Mandatory Spending**: refers to funds not controlled by annual decision of Congress. These funds are automatically obligated by virtue of previously-enacted laws.

**Means testing**: requiring that those who receive federal benefits show a need for them.

**Monetary policy**: Federal Reserve Board's regulation of the supply of money in circulation.

**National debt**: total debt owed by the federal government due to past borrowing. Also known as the **public debt**.

**Subsidy**: federal financial aid to individuals, e.g., welfare, food stamps, agricultural subsidies.