

**Making Change:**  
***President Obama***  
***and the 111<sup>th</sup> Congress***

**Gregory Koger**  
**University of Miami**  
***gkoger@miami.edu***

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Elections are the defining institution of democracy, but some elections are more important than others. Political observers and scholars may call these “critical elections” or “realigning elections” but, by any name, they usher in a new era of governance and politics. Although it is too early to be sure, the 2008 election seems to be one of these critical moments. The decisive election of Senator Barack Obama, combined with the expansion of Democratic majorities in both chambers of Congress, marks a significant short-term political shift and a possible end to an era of Republican dominance. More critically, Obama’s campaign themes of “Change You Can Believe In” or simply “Change,” against the backdrop of two long-term conflicts in Afghanistan and Iraq and faltering real estate and financial markets, promised significant shifts in federal policy.

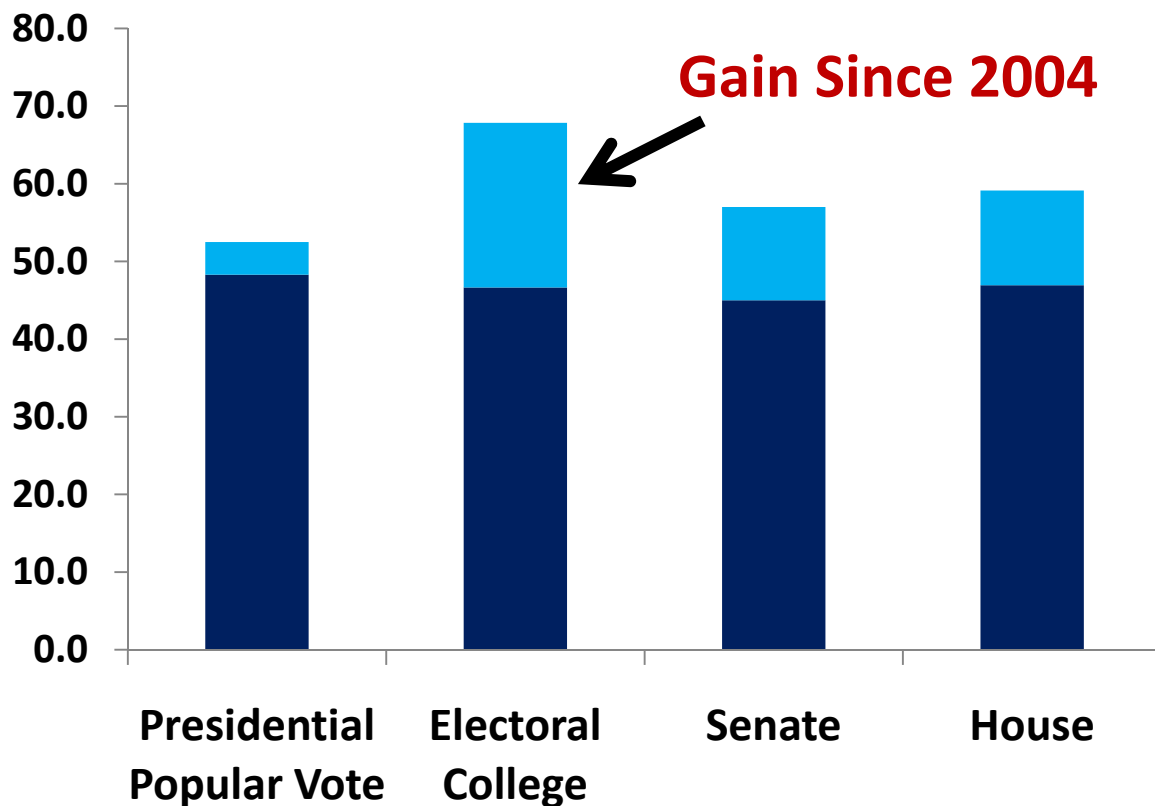
Yet Obama, like presidents before him, must strive for change in a system designed to delay and thwart ambitious agendas. The political challenge of Obama’s first term is to satisfy public demand for change in a status-quo oriented system without overstepping the Democrats’ mandate. This paper explains this challenge, drawing upon political science research and political history. I then make recommendations for President Obama’s first-term Congressional agenda, with a special emphasis on an overall strategy for achieving policy and political success.

### **I. A Mandate for Change?**

The 2008 election was clearly a victory for the Democratic party. Democrats made gains across the board: as of November 12, Congressional Democrats have won a net gain of six senators and 23 House members. More significant was Senator Obama’s victory over Senator McCain by a margin of 52.5% to 46.2%, making Obama the first Democratic President

to win a majority of the popular vote since 1976. This translated into a landslide 365-173 victory in the Electoral College as Obama won ten states that John Kerry lost in 2004, including the critical swing states of Ohio and Florida and deep “red” states like Indiana, Virginia, and North Carolina. Figure 1 puts this victory in perspective by illustrating Democratic gains since 2004: clearly this is an across-the-board shift in party fortunes.

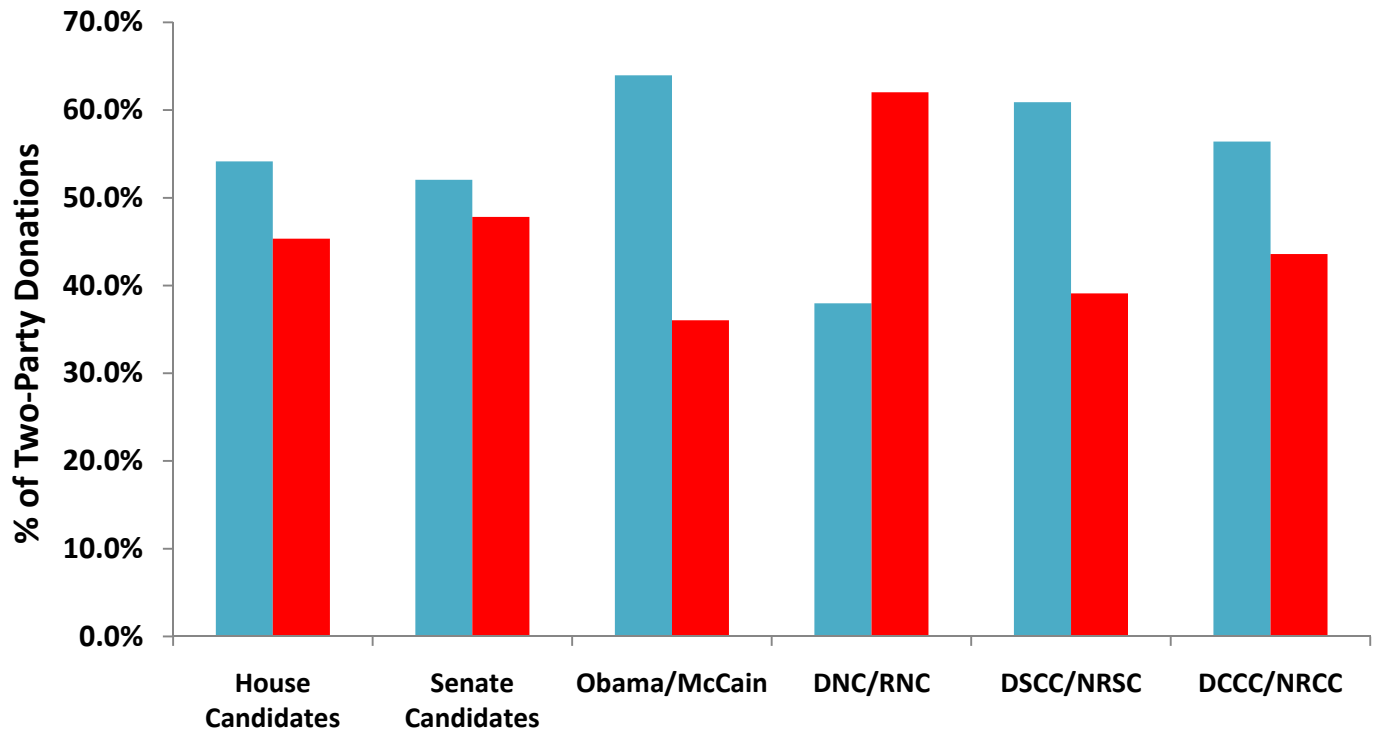
**FIGURE 1: Democratic Gains 2004 to 2008**



The Democrats’ victory was partially due to a set of structural advantages. First, the Democrats had a significant fundraising advantage across the electoral spectrum. Figure 2 illustrates this pattern, showing the Democratic and Republican share of all fundraising by

comparable organizations and candidates.<sup>1</sup> Democratic candidates outraised Republican candidates in House and Senate elections, Senator Obama outraised Senator McCain \$639 million to \$360 million (as of October 15), and Democratic

**FIGURE 2: Democratic and Republican Shares of Fundraising Totals**



Congressional committees outraised their Republican counterparts handily—a rare feat. The sole exception to the pattern is the Republican National Committee’s \$336 million-\$206 million advantage, which was not enough to compensate for the Obama campaign’s cash advantage. To some extent, this reflected the fundraising advantage of the majority party in Congress, and the expectation that Obama would win. Nonetheless, the Democrats’ ability to outraise the

<sup>1</sup> From [opensecrets.org](http://opensecrets.org), accessed 11/12/08. All data is based on a November 6, 2008 Federal Elections Commission report except the comparison of Presidential candidates, which is based on data from October 15, 2008.

Republicans almost across the board suggests a higher overall level of enthusiasm for the Democratic party.

In addition, the Democrats were buoyed by a generic advantage on the Congressional ballot. The average Democratic advantage across generic ballot polls in October 2008 was 9.6 percent.<sup>2</sup> However, this was a decline from the 14.6% Democratic advantage in October 2006. The implication of these advantages is that there is more to the Democratic victory than the personality of the candidates, recent evidence of economic distress, or dissatisfaction with the incumbent President. Instead, these trends suggest that the Democratic Party is ascending in the medium term. The Obama Presidency—particularly the 111<sup>th</sup> Congress—mark a critical point in this pattern: the right choices can strengthen support for the Democratic party, but the wrong actions can invite disenchantment and turn the Democratic fortunes.

## II. The Change Debate

Before the election tallies were completed, politicians and pundits began the “great change debate,” with three central questions: how much policy change should the Obama administration strive to achieve? On which issues? And should the Democrats strive for moderate, bipartisan legislation or should they try to pass the most progressive legislation they can? There are four basic claims in this debate.

### ● Voters Have Very High Expectations for the Obama Administration

“Change” was the mantra of the campaign, and voters who knew little about Obama’s agenda nonetheless expect some meaningful impact on their own lives. Additionally, the Obama campaign (as is typical) made an explicit set of policy proposals, bundled together in an

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<sup>2</sup> Based on an average of polls with October end dates reported on [realclearpolitics.com](http://realclearpolitics.com).

83-page “Blueprint for Change.” Obama’s “Change”-based campaign won a 69% to 30% advantage among first-time voters who could easily change their minds or sit out the 2010 midterm election.

There is a great deal of political science research suggesting that the 111<sup>th</sup> Congress does have the potential for significant policy change. First, Congressional scholars have documented that a switch in Presidential party tends to lead to significant policy change, as does an increase in Congressional seats for the President’s party (Krehbiel 1998).<sup>3</sup> It is noteworthy that the Democrats have not seen a combination of a Presidential victory and Congressional seat gains in both chambers since 1964, so their prospects may be better than in 1976, 1992, or 1996. Second, despite the ability of Senate minorities to filibuster, there is a real improvement in Presidential success during periods of united government, although it is also very important that the members House and Senate have similar policy views (Binder 2003).

- **Presidents Have A Narrow Window for Legislative Success**

Conventional wisdom and political research suggest that Presidents enjoy their greatest success with Congress at the very beginning of their first terms, the so-called “honeymoon” period (Light 1998). Historians recall Roosevelt’s famous “100 Days” in early 1933 and subsequent Presidents have been evaluated by their records of early accomplishments.<sup>4</sup> In 2001, however, George W. Bush argued that the Presidential “window” is better understood as six months. In the end, it took a year for Bush to sign his top two priorities into law: tax cuts

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<sup>3</sup> A preliminary analysis of the 111<sup>th</sup> Congress based on Krehbiel’s research by Jonathan Woon at the University of Pittsburgh suggests (based on some assumptions about how incoming Democrats will behave) that it is possible for Congress to act on a significant range of new policies.

<sup>4</sup> In a recent example, Julian Zelizer of Princeton compares Presidents since Roosevelt and suggests that Lyndon Johnson and Ronald Reagan did the best to advance their agendas early in their first terms (“New President’s 100 days of Pressure,” <http://www.cnn.com/2008/POLITICS/10/27/zelizer.hundred/>).

(June 2001) and education reform (January 2002), but early reviews of his legislative agenda hailed his focused effort to pass his top two priorities (Edwards 2002; Orstein and Fortier 2002). If we apply the conventional wisdom to Obama’s agenda, he should try to achieve a few top priorities as quickly as possible before Congress returns to business as usual.

For this reason, one point of view is that Obama should use his beginning-of-term “freebies” to pass the most progressive and sweeping portions of his agenda, including comprehensive health care reform. Otherwise, Obama will squander his capital on petty issues only to find later that Congress is unresponsive to his pleas to act on his main priorities.

- **Congress Cannot Adopt Obama’s Full Agenda**

There are two standard arguments that Congress will resist Obama’s agenda. First, the declining economy and spending on the enormous aid packages for the financial sector will prevent Obama from pursuing any programs that increase government spending. Second, moderate Democrats cannot be counted on to vote for key pieces of legislation, e.g. the AFL-CIO’s top priority, the Employee Free Choice Act. These constraints are linked. Obama’s campaign agenda includes a promise to reinstate PAYGO restrictions (so any tax cut or entitlement expansion must be offset by tax increases or entitlement reduction), including a repeal of Bush’s tax cut for upper-income citizens and elimination of special-interest provisions in the tax code. The more Obama and Democratic leaders try to pass ambitious spending programs, the more they will have to increase taxes or reduce entitlements, which may cause moderates *or* liberals to balk.

Underlying these concerns is the fear that too much effort to make good on the promises of the *last* election will be costly in the *next* election. After all, it is reckless to

interpret an electoral victory as a mandate for an electoral agenda. As Robert Dahl warns, “Strictly speaking, all an election reveals is the first preferences of some citizens among the candidates standing for office (1956, 125).” In Congressional elections, when a challenger defeats an incumbent it usually represents voters’ repudiation of the incumbent rather than an embrace of the challenger, so newly elected legislators must work to establish a positive reputation and alliances in their districts (Fenno 1978). Savvy politicians, therefore, realize the election of 2010 has already begun, and promise-keeping is only value insofar as it promotes the reelection of Democrats collectively and individually. In 2010, Democrats won’t have Obama’s name on the ballot to turn out voters and will have to run on the record of the Obama administration rather than *against* the record of the Bush administration. It would be reckless, especially for moderate Democrats, to vote for Obama proposals that their challengers will use against them the way that Congressional Democrats paid the price for Clinton’s proposals in 1994. Indeed, it is a standard practice for the President’s party to lose seats in midterm elections (see, e.g., Lebo, McGlynn, and Koger 2007).

### **III. Changing Expectations**

After the campaign that just ended, it is unclear why anyone would expect the conventional wisdom to apply to an Obama Presidency. Indeed, there are historical reasons to believe that the window of Presidential opportunity is much longer during a critical “change” period in American history. It is also likely that Obama will have a great deal of leverage over Congress which he can use to promote an ambitious agenda.



- **Obama and the Politics of Reconstruction**

In a major work on Presidential history, Stephen Skowronek (1993) explains the cyclical patterns of Presidents. In Skowronek’s framework, a few Presidents (Jefferson, Jackson, Lincoln, FDR, Reagan) stand out as the founders of a new era in American politics. They introduce new ideas and reshape their party coalitions, and within each cycle successive Presidents work to implement their ideas (GHW Bush, GW Bush) or try to survive in a political climate shaped by the opposing party (Clinton). A cycle ends when the central ideas of the incumbent political regime (Reagan: cut taxes, deregulate, and forthrightly resist enemies abroad) are ill-suited to the problems the country faces and the incumbent party coalition cannot unite behind a single candidate or program. A reasonable extrapolation to current events is that Obama has an opportunity to be a reconstructive president who begins a new era of Democratic party dominance.<sup>5</sup>

If so, Obama’s influence could last well beyond the first 100 days. First, Presidents who are skilled at working with Congress often have great influence throughout their first two years in office. In the 20<sup>th</sup> century, this group includes Woodrow Wilson, Franklin Roosevelt, and Lyndon Johnson. More important, Roosevelt and Johnson were both rewarded with a ratifying election. In 1934 the Democrats broke the pattern of midterm slumps by gaining seats in Congress, while LBJ won a crushing reelection in 1964. In both cases, many of their most lasting achievements followed the ratifying election. In 1935 and 1936, Roosevelt and his allies enacted the Social Security Act, the Wagner National Labor Relations Act, and the Public Utility Holding Company Act. The 89<sup>th</sup> Congress (1965-6) enacted the Voting Rights Act, the

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<sup>5</sup> It is not inevitable that Presidents will succeed. Skowronek suggests that Grover Cleveland could have been a reconstructive President but failed to seize the opportunity.

Elementary and Secondary Act of 1965, the Higher Education Act of 1965, and started Medicare for Johnson. Given the breadth of the Democrats’ 2008 victory, it would be reasonable for Obama to expect that Congressional Democrats will support him throughout the 111<sup>th</sup> Congress, especially if they believe that working with Obama improves their prospects in the 2010 election.

Part of the 2008 mandate was a rejection of “old-style Washington politics” and support for bipartisan cooperation. Of course, it may be difficult to persuade Republicans to cooperate and to convince Democrats that a bipartisan compromise is better than pushing through progressive legislation with narrow, partisan majorities. Moderation is probably the best route to a 2010 victory, however: a record of bipartisan accomplishments may convince the electorate that Democrats are capable of governing effectively without overstepping their mandate.

- **Obama’s Leverage With Congress**

While the Democrats’ electoral victory is the main storyline of the election, one of the Republicans’ talking points from the campaign should trouble Democratic leaders a great deal. While Democrats gained a great advantage from the fact that President Bush’s job approval ratings now languish around 25%, Congress’s collective job rating is in the teens: 16.1% (on average) in October 2008, down from 26.6% in October 2006. Clearly a switch in party control by itself has not restored America’s support for Congress. President Obama and his aides could make the case to Congressional Democrats that by passing his agenda they can improve their Congress’s reputation and their fortunes in 2010. The next section offers some suggestions on dealing with Congress in an ambitious era.

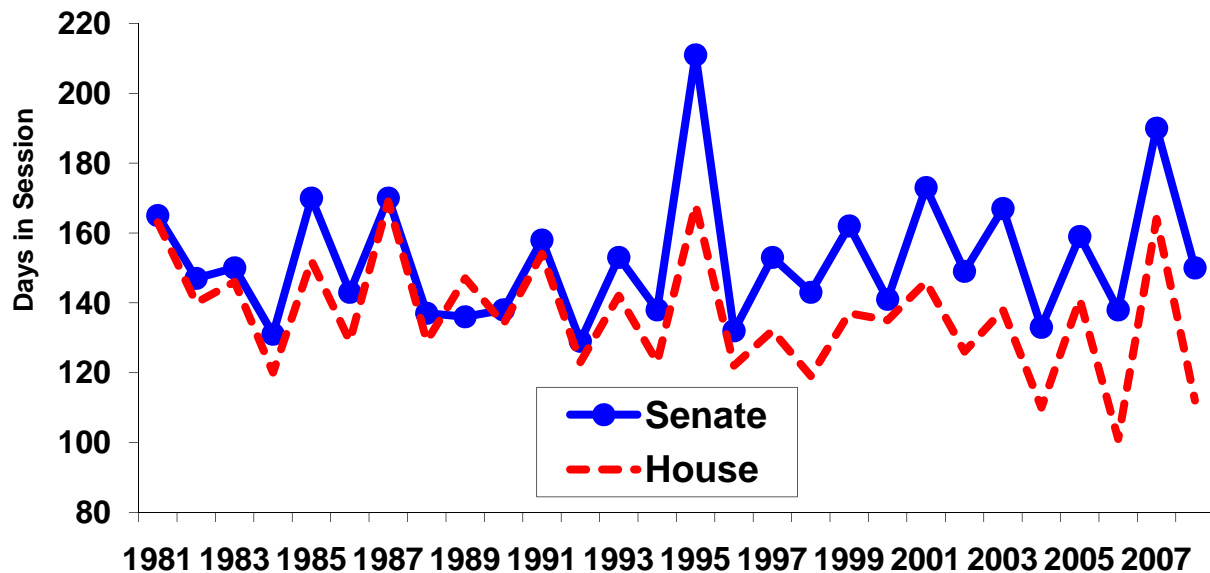
#### IV. Some Suggestions for Working with Congress

**1) Get Them on a Schedule.** One reason that Presidential momentum ebbs is that after the first few months members of Congress may focus on their own priorities and allow Presidential proposals to languish. Obama and his aides should press Democratic leaders of Congress, committee chairs, and Republican leaders of the Senate to develop a detailed agenda that provides a timeline for each major piece of legislation. This would give Congressional Democrats an opportunity to personally commit themselves to Obama’s agenda. Also, any legislator who is delaying key pieces of legislation (say, a Detroit-area committee chair who slow-walks legislation to tighten automobile emission standards) can be held accountable to the media and liberal bloggers.

More important, the pressure of an impending deadline (even if it is self-imposed) can force legislators to meet, to negotiate, and forge compromises. Unless there is pressure to come to a decision, legislators are often content to put off difficult decision. A set of deadlines would compel legislators to come to an agreement sooner rather than later.

It is noteworthy, on this topic, that Congress suffers more from a lack of will than a shortage of time. As Figure 3 illustrates, there is some slack left on the Congressional calendar: the House and Senate often work 3- or 4-day weeks and take several recesses a year. Given the size and urgency of the problems on Congress’ agenda, this might be the time to work a little more.

**Figure 3: House and Senate Days in Session, 1981-2008**



There are two high points in Figure 3. The first is the 104<sup>th</sup> Congress (1995-96), followed by the new Democratic majorities in the 110<sup>th</sup> Congress (2007-8). The 111<sup>th</sup> Congress could be even more active, but only if the Democratic leadership presses its members to work together.

A good time to start is January 6, 2009. Members of Congress will be sworn in a full two weeks before President Obama. Since over 80% of both chambers were members of the 110<sup>th</sup> Congress, they are fully capable of passing legislation during those two weeks, particularly on issues they have already dealt with, e.g. a stimulus package and S-CHIP expansion. If both chambers hit the ground running, they could have legislation on the President’s desk on the afternoon of January 20 so President Obama can start off with some early victories.

## 2) Test the Loyalty of Congressional Democrats

A number of scholars (e.g. Lebo et. al 2007) assume that legislative parties care about their collective reputations, and that the “brand name” of their respective parties will influence some voters in the next election. In the 111<sup>th</sup> Congress, the reputation of the Democratic Party

will be at stake, and it will suffer unless the Democrats can point to a reasonable record of accomplishments after the first two years of Obama’s administration. Achieving these successes may require voting cohesion within the Democratic caucuses, which can force legislators into making awkward choices.

While Obama and the Democrats will probably try to develop bipartisan solutions (see below), it is also worthwhile to conduct an early test of the loyalty and resolve of Congressional Democrats. Democratic leaders should try to identify a vote to determine which legislators are willing to cooperate for the sake of the Democratic Party. One possibility is a vote to overturn regulations adopted during President Bush’s last two months in office. Democrats could clearly signal that this is a test vote for its membership and, after the vote, there should be some sanction for legislators who cross the line.

### **3) Never Encircle your Foes**

My third suggestion is derived from military strategy: a general with a clear advantage should provide his enemy an alternative to fighting. In this case, President Obama should help Democrats to recruit Republicans to work with them on important agenda items like energy and health care. The underlying goal should be provide Republicans with meaningful influence on major legislation, and then lavish praise on Republicans for their cooperation. In this way, Republicans—especially moderate Republicans disgusted with their party’s dire straits—will sense that cooperation is a better strategy than confrontation.

“Bipartisan cooperation” is easier to say than to do. Some Congressional Democrats may argue that it is foolish to share credit with Republicans when they can pass legislation without Republican help and claim ALL of the credit. Or, Democratic activist outside the

chamber may clamor for dramatic confrontation with their foes—after all, they didn’t work to elect Democrats so that moderate Republicans could write legislation. There are two points that restless members should keep in mind. First, during periods of unified government the majority party will automatically receive the lion’s share of the credit for successes and of the blame for inaction. They can afford to share a little credit with Republicans who cooperate. Second, in the long run the Democratic Party’s image will improve if citizens see Democrats working with Republicans instead of pushing their own pet proposals. Democrats—including their restless activists—will gain more by setting a moderate tone, retaining their majorities in Congress, and continuing to chair the committees and set the agenda.

#### **4) Use the Obama Network to Govern**

In modern politics, lists are power. If you possess a list of potential donors or group members you are in a position to help yourself and others. The Obama –Biden campaign has amassed the most amazing list in recent memory: millions of donors, large and small; activists and volunteers; and supporters who have been eager to help, all broken down by zip code and connected by the Internet. Used properly, this network can be a valuable resource to promote the legislative agenda of the White House. President Obama can ask his network to raise funds for Congressional allies, explain his strategy to potential skeptics, and urge supporters to contact members of Congress.

### **V. A Proposed Agenda**

With these thoughts in mind, we turn to the main task of this paper: proposing an agenda for President Obama and the 111<sup>th</sup> Congress. The basic principles of agenda-setting

were laid out nicely in Paul Light’s “The President’s Agenda.” Presidents should evaluate each proposal by:

- **Importance** (will this bill have a significant impact on the nation?)
- **Political reward** (will this bill contribute to my political strength and my party’s reputation?)
- **Legislative effort** (how much effort is required to draft a bill, educate members of Congress, and work through any necessary compromises?)
- **Probability of success** (will Congress actually pass the proposed law?)

Ideally, Presidents develop a schedule of legislation arranged to reflect these factors and the rhythms of the electoral cycle.

I applied these basic ideas to Senator Obama’s campaign agenda as presented in “A Blueprint for Change.”<sup>6</sup> Of course, it is difficult to assess these variables with anything like scientific precision, but my guesswork is informed by a few basic claims. First, every item in a campaign agenda presumably has some political value, but the most politically salient issues are taxes, energy policy, and health care.<sup>7</sup> Second, in post-election statements President-Elect Obama has indicated that addressing the slumping economy and financial crisis will be the priority of his first days in office. Exit polls suggested that the economy was voters’ top priority by a huge margin: in a CNN poll, 63% of respondents mentioned the economy, 10% Iraq, health care 9%, terrorism 9%, and 7% listed energy policy as their priority.<sup>8</sup> Third, “legislative effort” is lower for bills that have already been drafted, reported out of committee, or passed by one chamber, and lowest for bills that have passed both chambers and bogged down in conference committee or been blocked by a Presidential veto.

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<sup>6</sup> Accessed at Barackobama.com on November 4, 2008.

<sup>7</sup> Obama’s post-election “governing” website, [change.gov](http://change.gov), lists the economy, health care coverage, education, Social Security, and clean energy as top domestic priorities.

<sup>8</sup> 2008 Exit Poll, accessed at [cnn.com](http://cnn.com) on November 16, 2008.

Table 1 presents a Congressional agenda that reflects these considerations. Since it is difficult to measure our variables precisely and predict future conditions, this agenda should be understood as an expression of judgment rather than a scientific prediction.

**TABLE 1: A Recommended Agenda**  
**(numbers in parentheses refer to pages in the “Blueprint for Change”)**

January 2009	Economic Stimulus (8) S-CHIP Expansion Nominations
Feb-April 2009	Budget Resolution (with PAYGO) 41 Renewable Energy Policy (11, 39) Homeowner Bankruptcy Relief (10) Expand time limits for pay equity lawsuits
May-August	Budget Reconciliation(s) CAFO Reform (45) NCLB Reauthorization
September-December	Medical Records Integration (25) (Medicare) Small Business Incubators (13) Minimum Wage Increase (56) Rural broadband service
2010	Banking and Financial Services Regulation (13) Bankruptcy Re-Reform (15, 29) Tax Simplification (9) Establish 20 Promise Neighborhoods (57) Health Care (Multiple bills) <ul style="list-style-type: none"> <li>• Improve rural health care</li> <li>• Equity in contraception coverage (50)</li> <li>• Promote access and use of generic drugs (25)</li> <li>• Allow prescription drug re-importation (25)</li> <li>• Compel HMOs and insurance companies to disclose the breakdown of their expenditures</li> </ul>
2011-2012	Immigration reform (53) Employee Free Choice Act (15) Raise fuel economy standards and promote cleaner cars (38) Greenhouse gas cap-and-trade system (39) Medical Malpractice Reform (24) Social Security Reform (27) Age Discrimination Enforcement (28) Expand Medicaid coverage and integrate it with S-CHIP



**January 2009**

- Economic Stimulus (8)
- S-CHIP Expansion
- Nominations

My recommendations for a first-week agenda include an emergency stimulus package that Obama has requested either before he is sworn in or as his first item he would like to see Congress send to him as President. Democrats in Congress are reportedly already working on the details of such a proposal. Transportation infrastructure projects are probably a high priority, but Obama might also consider including funding for rural broadband service or refurbishing national parks. The other major legislation is a bill expanding S-CHIP, a program providing health insurance for children in moderate-income families. This is probably the easiest “win” on Obama’s agenda: during the 110<sup>th</sup> Congress S-CHIP expansion passed twice by wide margins only to be defeated by a Presidential veto. Congress merely has to pass the same bill with a different result. Otherwise Obama and the Senate will work on nominations. Obama may also issue some early executive orders repealing abortion restrictions on family planning programs and on stem cell research, or on transparency in governing.

**February-April 2009**

- Budget Resolution (with PAYGO) 41
- Renewable Energy Policy (11, 39)
- Homeowner Bankruptcy Relief (10)
- Expand time limits for pay equity lawsuits

The mandatory budget schedule “compels” Obama to submit a budget in early February and Congress to pass a resolution by March 15. Since 1981, Presidents have used the budget process to enact their major changes in taxes and spending, and Obama will presumably do the same, including his promise to reinstate “pay-as-you-go” rules for budgeting, which requires budgetary offsets for tax reductions and entitlement increases. Second, renewable energy

policy is reportedly Obama’s top agenda items; he considers this proposal to be good economic policy in the short term (as a stimulus) and the long term (as a new sector for the U.S. to dominate). Furthermore, it appeals to the environmental base of the Democratic party and to consumers stressed by high energy bills. Third, some form of homeowner bankruptcy relief (e.g. buying bad home loans or bundled loans, or underwriting renegotiated home loans) may be on the early agenda as a response to the current economic crisis. Finally, Congress is likely to initiate pay equity legislation that has already passed the House once; Obama supports this legislation but may take a limited role in ensuring its passage.

***May-August 2009***

- Budget Reconciliation(s)
- CAFO Reform (45)
- NCLB Reauthorization

This would be a conventional time for Congress to act on Obama’s budget-related proposals, including reinstating the pre-Bush tax rates for upper-income citizens and reducing taxes for the “bottom 95%” of taxpayers. Obama makes several other tax-related proposals: expanding the Child and Dependent Care Tax Credit, eliminating income taxes for seniors who make less than \$50,000, a universal mortgage credit, making the research and development credit permanent, a \$4,000 tax credit for college tuition, savings incentives for working families, and expanding the Earned Income Tax Credit. It is unclear which of these Obama will pursue in his first-year budget, but the obligation to offset new spending by closing loopholes or raising tax rates may lead to a number of small battles on Capitol Hill.

Obama and Congressional Democrats may opt to break their budget proposals into multiple bills. This tactic, pioneered by Republicans in the 1990s, has two advantages. First, it may be easier for legislators to vote for a series of discrete packages than for an omnibus bill.

Similarly, the Democrats and Congress may get more public credit for passing separate bills on high profile proposals like the college tuition tax break.

This is also appropriations season, so I have only suggested two other pieces of legislation: restrictions on large-scale livestock farms (relatively painless and presumably popular with rural Americans and environmentalists), and reauthorization for No Child Left Behind. NCLB is already overdue for reauthorization; otherwise this is a bad time for this bill because it will require effort and controversy for the Democrats to include merit pay and teacher dismissals in this package.

***September-December 2009***

- Medical Records Integration (25) (Medicare)
- Small Business Incubators (13)
- Minimum Wage Increase (56)
- Rural broadband service

This is typically when Congress finalizes the appropriations bills that are supposed to be finished by October 1. At the same time, Congress could pass a bill requiring doctors working with Medicare (which is most doctors) to computerize and integrate their records, and subsidizing that process. This is a relatively uncontroversial proposal except for the details about if and how to subsidize this transition.

Second, Obama is committed to raising and indexing the minimum wage to \$9.50 in 2009, with an effective date of 2011. This is a significant raise and Obama may have to compromise to gain enough moderate Democrats and Republicans to pass a bill. It would probably make sense to pair this bill with Obama’s proposal for “small business incubators.” Finally, if free-standing legislation is necessary this would be a good time to pass a bill supporting rural broadband service.

## **2010**

- Banking and Financial Services Regulation (13)
- Bankruptcy Re-Reform (15, 29)
- Tax Simplification (9)
- Establish 20 Promise Neighborhoods (57)
- Health Care (Multiple bills)
  - Improve rural health care
  - Equity in contraception coverage (50)
  - Promote access and use of generic drugs (25)
  - Allow prescription drug re-importation (25)
  - Compel HMOs and insurance companies to disclose the breakdown of their expenditures

During an election year Congress tends to cut back its days in session. While it is likely that many proposals sponsored by members of Congress will reach fruition in this second session, Democratic leaders will probably be wise to focus the party agenda on proposals that unite the party and bolster its reputation. The first two items on this proposed agenda are aftershocks of the housing crisis: once the dust settles Congress will probably rethink the current system of financial regulations and revisit federal bankruptcy policy. The next two are relatively moderate proposals: simplifying the tax preparation process for most individual filers, and establishing 20 “Promise” neighborhoods in cities throughout the land.

I suggest that Democrats focus on health care in 2010. Instead of a single, enormous restructuring of our health care system, however, I suggest a set of separate bills making popular and direct improvements in health care. These include bills to allow re-importation of prescription drugs, promoting the use of generic drugs, requiring equity in contraception coverage, and improving rural health care (for example, by rewarding doctors who choose to work in rural towns).

This program falls far short of Obama’s campaign proposal and, in fact, Democrats may attempt to enact some form of Obama’s plan. However, the budgetary costs of this plan and the political risks inherent in a major frontal assault on the health care system should give Democrats pause. Instead, Democrats and health care reformers should develop a strategy to achieve their goals incrementally in a series of reasonable and politically popular steps from the current system to an “ideal” system. These include:

- Promoting universal coverage systems on a state-by-state basis
- Gradually expanding Medicaid and S-CHIP to create a de facto system of government-based insurance.
- Requiring cost and expenditure breakdowns, as required here. This would provide data on the (in)efficiency of the current system, which could provide a rationale for reform.

### **2011-2012**

- Immigration reform (53)
- Employee Free Choice Act (15)
- Raise fuel economy standards and promote cleaner cars (38)
- Greenhouse gas cap-and-trade system (39)
- Social Security Reform (27)
- Age Discrimination Enforcement (28)
- Expand Medicaid coverage and integrate it with S-CHIP

If the Democrats plan well and campaign hard, they can maintain their majorities in the 112<sup>th</sup> Congress. If so, a set of thorny issues await. Immigration reform is probably a necessity. I suggest pairing it with the Employee Free Choice Act in a bargain with labor unions: they accept immigration reform in exchange for enhanced opportunities to organize workers, including newly legalized immigrants. Social Security reform is delayed until this Congress, but must be addressed. As the economic situation improves Congress will probably have an easier

time passing restrictions on gas mileage and greenhouse gas emissions. Otherwise the major proposal here is an expansion of Medicaid spending to offset rising costs and a proposal to make it easier to transfer from Medicaid to S-CHIP, and perhaps to allow parents to enroll in S-CHIP.

## **VI. Conclusion**

The inauguration of Barack Obama as President will begin a new era in American politics. The Democratic Party begins with serious problems to address and an ambitious agenda to realize. This paper has suggested that the best way for Democrats to achieve their agenda is to strive to win the 2010 elections with an agenda that is ambitious in scope but moderate in tone. That, in itself, would be a real change in Congressional politics.

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