The U.S. Government

Figures current as of October 2026

The U.S. government as of October 16, 2026: the constitutional design, the presidency and the cabinet with their officeholders, every department's money and people, the independent agencies, Congress and the budget, the courts, federalism and the states, the security state, the Fed, and elections. The November 3 midterms and the other dates ahead are in Module 19.

MODULE 1 — Foundations: The Constitutional Design

Goal: Establish the architecture everything else runs on.

The three branches, the checks in a table and how 2025-26 tested each one, federalism's division, and the amendments that matter.

MODULE 2 — The Presidency, the Executive Office, and the Cabinet

Goal: Explain the office, its tools, and the people around it.

The president's powers, the Executive Office in a table, the cabinet and its 2026 turnover, executive orders, emergencies, pardons, and removals, and the line of succession.

MODULE 3 — State, Defense, Treasury, and Justice

Goal: Profile the four original departments.

Each department's staff, money, and components; USAID's absorption into State; the 'Department of War' title; the Treasury and the IRS; and the argument over the Justice Department's independence.

MODULE 4 — Interior, Agriculture, Commerce, and Labor

Goal: Profile the land, food, business, and work departments.

The Colorado River, SNAP's new work rules and cost shift, Commerce as the tariff engine and the census rule on apportionment, and Labor's turmoil.

MODULE 5 — Health and Human Services, Housing, Transportation, and Energy

Goal: Profile the departments that spend and build the most.

Medicare and Medicaid, the vaccine-schedule fight in court, HUD's budget, air-traffic control, and Energy's reactors and petroleum reserve.

MODULE 6 — Education, Veterans Affairs, Homeland Security, and the Cabinet-Level Agencies

Goal: Profile the departments being closed, defended, and expanded.

Education's dismantling by interagency agreement, VA's growth, the immigration-enforcement surge and its evidence, FEMA's future, and the EPA, intelligence, and small-business agencies.

MODULE 7 — The Independent Agencies and the Regulatory State

Goal: Explain the fourth branch and what 2026 did to it.

The commissions in a table, *Trump v. Slaughter* and the end of *Humphrey's Executor*, the Federal Reserve exception in *Trump v. Cook*, and what 'independent' now means.

MODULE 8 — The Federal Workforce

Goal: Give the people of the government their own module.

How the reductions of 2025 happened, who federal workers are, the new at-will schedule and the bargaining order, and the DOGE case.

MODULE 9 — Congress: Structure, Leadership, and Committees

Goal: Explain the first branch as it operates in the 119th Congress.

The two houses and their margins, the committee chairs in a table, the filibuster and reconciliation, discharge petitions, and the votes on war powers.

MODULE 10 — Lawmaking and the Budget Process

Goal: Explain how a bill and a budget become law, and how they don't.

The working version of lawmaking, the budget process in a table, the July 2025 law, the funding lapses of fiscal 2026, and the fight over pocket rescissions.

MODULE 11 — The Federal Budget: Where the Money Comes From and Goes

Goal: Work the numbers of the federal budget.

Fiscal 2026 receipts and outlays in tables, deficits and debt from 2000 to 2036, Social Security's deadline, and what a household's taxes buy.

MODULE 12 — The Judiciary

Goal: Explain the courts and the term that tested the presidency.

The court structure, the justices in a table, the decisions of 2025-26, the emergency docket, the tariff case, appointments, and the new term.

MODULE 13 — Federalism I: How Washington and the States Divide Power

Goal: Explain the constitutional and fiscal machinery of federal-state relations.

Enumerated and reserved powers, the three doors of federal power, grants to the states, SNAP's new cost share, and mandates and waivers.

MODULE 14 — Federalism II: The 2025-26 Flashpoints

Goal: Cover the fights that defined the relationship.

The flashpoints in a table, the states' lawsuits, the Guard in American cities, and the fight over who runs federal elections.

MODULE 15 — State and Local Government

Goal: Cover the governments that deliver most services.

The local governments, the largest states and their governors, budgets and reserves, the 2026 state elections, and the property tax.

MODULE 16 — The Security State: Military, Intelligence, and Law Enforcement

Goal: Map the armed and investigative parts of the government.

The military's strength and budget, the removals of senior officers, the boat strikes, the intelligence community, and federal law enforcement.

MODULE 17 — Money: The Treasury, the Fed, and the Fiscal-Monetary Interface

Goal: Explain the institutions that manage the dollar and the debt.

The Treasury's borrowing, the Fed's Board in a table, the rate increase of September 2026, and what a percentage point of interest costs.

MODULE 18 — Elections, Parties, and Oversight

Goal: Explain how officials are chosen and checked.

The electoral machinery, the redistricting war, the midterms in polls, ratings, and money as of mid-October, and the state of the oversight system.

MODULE 19 — Where Things Stand, and What to Watch

Goal: Close with the argument, the contradictions, and the dates.

The course in one argument, five contradictions, a dated watch list from late October 2026 onward, and a last word.

Officeholders, as of October 16, 2026

Who runs the federal government: the cabinet, the White House, the leaders of Congress, and the officers the course names most

The President and the Cabinet

Office	Officeholder	Age	In office since (years)	Senate vote
President	Donald Trump (also 2017-21)	80	Jan 20, 2025 (1)	Elected
Vice President	JD Vance	42	Jan 20, 2025 (1)	Elected
Secretary of State; also national security adviser	Marco Rubio	55	Jan 21, 2025 (1)	99-0
Secretary of the Treasury	Scott Bessent	64	Jan 28, 2025 (1)	68-29
Secretary of Defense, also styled Secretary of War	Pete Hegseth	46	Jan 25, 2025 (1)	51-50, the vice president breaking the tie
Attorney General	Todd Blanche	52	Aug 10, 2026 (2 mo)	50-49
Secretary of the Interior	Doug Burgum	70	Feb 1, 2025 (1)	80-17
Secretary of Agriculture	Brooke Rollins	54	Feb 13, 2025 (1)	72-28
Secretary of Commerce	Howard Lutnick	65	Feb 21, 2025 (1)	51-45
Secretary of Labor	Keith Sonderling	43	Confirmed Sep 30, 2026	47-41
Secretary of Health and Human Services	Robert F. Kennedy Jr.	72	Feb 13, 2025 (1)	52-48
Secretary of Housing and Urban Development	Scott Turner	54	Feb 5, 2025 (1)	55-44
Secretary of Transportation	Sean Duffy	55	Jan 28, 2025 (1)	77-22
Secretary of Energy	Chris Wright	61	Feb 3, 2025 (1)	59-38
Secretary of Education	Linda McMahon	78	Mar 3, 2025 (1)	51-45
Secretary of Veterans Affairs	Doug Collins	60	Feb 5, 2025 (1)	77-23
Secretary of Homeland Security	Markwayne Mullin	49	Mar 24, 2026 (6 mo)	54-45
Director, Office of Management and Budget	Russell Vought	50	Feb 7, 2025 (1)	53-47
Director of National Intelligence	Jay Clayton	60	Aug 3, 2026 (2 mo)	51-47
Director, Central Intelligence Agency	John Ratcliffe	60	Jan 23, 2025 (1)	74-25
United States Trade Representative	Jamieson Greer	46	Feb 27, 2025 (1)	56-43
Administrator, Environmental Protection Agency	Lee Zeldin	46	Jan 29, 2025 (1)	56-42
Administrator, Small Business Administration	Kelly Loeffler	55	Feb 20, 2025 (1)	52-46

The cabinet as the White House lists it, with the vice president (Module 2). Sonderling's swearing-in is dated October 2 by some sources and October 9 by others.

The White House

Office	Officeholder	Age	In office since (years)
Chief of Staff	Susie Wiles	69	Jan 20, 2025 (1)
Deputy Chief of Staff for Policy; Homeland Security Adviser	Stephen Miller	41	Jan 20, 2025 (1)
Director, National Economic Council	Kevin Hassett	64	Jan 20, 2025 (1)
White House Counsel	Will Scharf	40	Sep 1, 2026 (6 wks)

White House staff serve without Senate confirmation. The press secretary since October 12, 2026 is Katie Zacharia, who succeeded Karoline Leavitt.

The Leaders of Congress

Office	Officeholder	Age	In office since (years)
Speaker of the House	Mike Johnson (R-Louisiana)	54	Oct 25, 2023 (2)
House Majority Leader	Steve Scalise (R-Louisiana)	61	Jan 3, 2023 (3)
House Majority Whip	Tom Emmer (R-Minnesota)	65	Jan 3, 2023 (3)
House Minority Leader	Hakeem Jeffries (D-New York)	56	Jan 3, 2023 (3)
House Minority Whip	Katherine Clark (D-Massachusetts)	63	Jan 3, 2023 (3)
President pro tempore of the Senate	Chuck Grassley (R-Iowa)	93	Jan 3, 2025 (1)
Senate Majority Leader	John Thune (R-South Dakota)	65	Jan 3, 2025 (1)
Senate Majority Whip	John Barrasso (R-Wyoming)	74	Jan 3, 2025 (1)
Senate Minority Leader	Chuck Schumer (D-New York)	75	Jan 3, 2017 (9), as Democratic leader
Senate Minority Whip	Dick Durbin (D-Illinois), retiring in January 2027	81	Jan 3, 2005 (21), as Democratic whip

Leaders are chosen by their party's members; the Speaker is elected by the whole House. Committee chairs are in Module 9.

Other Officers the Course Names Most

Office	Officeholder	Age	In office since (years)	Senate vote
Chief Justice of the United States	John Roberts	71	Sep 29, 2005 (21)	78-22
Chair, Board of Governors of the Federal Reserve	Kevin Warsh	56	May 22, 2026 (4 mo)	54-45 as chair
Director, Federal Bureau of Investigation	Kash Patel	46	Feb 21, 2025 (1)	51-49
Chairman of the Joint Chiefs of Staff	Gen. Dan Caine	58	Apr 14, 2025 (1)	60-25

Ages and years in office as of October 16, 2026. The other eight justices are in Module 12, the Federal Reserve's Board in Module 17.

Who's Who, as of October 16, 2026

The parties, groups, agencies, and people the course names

Parties and Political Groups

Name	Who they are
Republican Party; Republican National Committee (RNC)	The party of the president and of the majorities in both houses of Congress; the RNC is its national committee
Democratic Party; Democratic National Committee (DNC)	The minority party in both houses; the DNC is its national committee
People Not Politicians	The Missouri group whose referendum petition challenged the state's 2025 congressional map

Agencies, Programs, and Laws, with Their Abbreviations

Name	What it is
Department of Homeland Security (DHS)	Border, immigration, disaster, and security agencies
Department of Health and Human Services (HHS)	Medicare, Medicaid, and the public-health agencies
Department of Housing and Urban Development (HUD)	Rental aid, public housing, and mortgage insurance
Department of Veterans Affairs (VA)	Veterans' health care and benefits
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	The Justice Department's firearms and explosives agency
Bureau of Labor Statistics (BLS)	The Labor Department's agency for jobs, wage, and price data
Congressional Budget Office (CBO)	Congress's nonpartisan budget scorekeeper
Customs and Border Protection (CBP)	The Homeland Security agency for the borders and ports of entry, including the Border Patrol
Centers for Disease Control and Prevention (CDC)	The Health and Human Services Department's public-health agency
Consumer Financial Protection Bureau (CFPB)	The regulator of consumer finance, funded through the Fed
Central Intelligence Agency (CIA)	Foreign intelligence and covert action
Consumer Product Safety Commission (CPSC)	The regulator of product safety
Drug Enforcement Administration (DEA)	The Justice Department's drug agency
Department of Government Efficiency (DOGE)	The White House cost-cutting unit of 2025-26
Equal Employment Opportunity Commission (EEOC)	The enforcer of laws against workplace discrimination
Environmental Protection Agency (EPA)	The regulator of air, water, and chemicals
Federal Aviation Administration (FAA)	The Transportation Department's agency that runs air-traffic control
Federal Bureau of Investigation (FBI)	The Justice Department's main investigative agency
Federal Communications Commission (FCC)	The regulator of broadcasting and telecommunications
Food and Drug Administration (FDA)	The Health and Human Services Department's regulator of drugs, devices, and food safety
Federal Election Commission (FEC)	The regulator of campaign finance
Federal Emergency Management Agency (FEMA)	The Homeland Security Department's disaster agency

Name	What it is
Federal Energy Regulatory Commission (FERC)	The regulator of wholesale power and gas markets
Federal Housing Administration (FHA)	The Housing Department's mortgage insurer
Federal Open Market Committee (FOMC)	The Federal Reserve's rate-setting committee
Federal Trade Commission (FTC)	The antitrust and consumer-protection agency
Government Accountability Office (GAO)	Congress's auditor
Immigration and Customs Enforcement (ICE)	The Homeland Security agency that enforces immigration law inside the country
International Emergency Economic Powers Act of 1977 (IEEPA)	The emergency law the president used for tariffs
Internal Revenue Service (IRS)	The Treasury's tax collector
Merit Systems Protection Board (MSPB)	The board that hears federal employees' appeals
National Defense Authorization Act (NDAA)	The annual law that sets defense policy
National Institutes of Health (NIH)	The Health and Human Services Department's biomedical research agency
National Labor Relations Board (NLRB)	The regulator of union elections and unfair labor practices
National Nuclear Security Administration (NNSA)	The Energy Department's nuclear-weapons agency
National Oceanic and Atmospheric Administration (NOAA)	Commerce's weather and oceans agency
Nuclear Regulatory Commission (NRC)	The regulator of civilian nuclear reactors
National Security Agency (NSA)	Signals intelligence and cybersecurity
Office of the Director of National Intelligence (ODNI)	The office that oversees the intelligence agencies
Office of Foreign Assets Control (OFAC)	The Treasury office that administers sanctions
Office of Management and Budget (OMB)	The White House budget office
Office of Personnel Management (OPM)	The government's personnel agency
Occupational Safety and Health Administration (OSHA)	Labor's workplace-safety regulator
Small Business Administration (SBA)	Loans to small businesses and disaster victims
Securities and Exchange Commission (SEC)	The regulator of securities markets
Supplemental Nutrition Assistance Program (SNAP)	Federal food assistance, run by the states
Transportation Security Administration (TSA)	The Homeland Security Department's airport-screening agency
US Agency for International Development (USAID)	The foreign-aid agency taken apart in 2025
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Food aid for low-income mothers and young children

Research, Polling, and Advocacy Groups

Name	Who they are
American Academy of Pediatrics	The pediatricians' professional association
American Action Forum	A center-right economic policy institute
American Association of SNAP Directors	An association of the state officials who run the food-assistance program
American Oversight	A watchdog group that investigates the government through public-records requests
Ballotpedia	A nonpartisan online encyclopedia of American politics
Brennan Center for Justice	A law and policy institute at New York University
Brookings Institution	A public-policy research institution in Washington

Name	Who they are
Citizens for Responsibility and Ethics in Washington (CREW)	A government-ethics watchdog group
Committee for a Responsible Federal Budget	A nonpartisan budget watchdog
Cook Political Report; Sabato's Crystal Ball	Nonpartisan election handicappers; the second is published by the University of Virginia's Center for Politics
Decision Desk HQ; FiftyPlusOne; Silver Bulletin	Election forecasters; Silver Bulletin publishes Nate Silver's averages and models
Emerson College; Marquette Law School; Pew Research Center; Rasmussen Reports; Reuters/Ipsos	Pollsters whose surveys the course cites, with dates and samples, in Module 18
Government Accountability Project	A whistleblower-protection group
Heritage Foundation	A conservative think tank in Washington
Just Security	An online journal of law and security based at New York University
The Midterm Project; VoteHub; Voting Rights Lab	Trackers of the 2026 congressional maps and of state election laws
National Association of State Budget Officers (NASBO)	The association of state budget officers, which surveys state finances twice a year
National Conference of State Legislatures (NCSL)	The bipartisan association of the fifty state legislatures
National Taxpayers Union Foundation	The research arm of a taxpayer advocacy group
Partnership for Public Service	A nonpartisan group that studies the federal workforce
Pew Charitable Trusts	A public-policy foundation that studies state finances, among other subjects
SCOTUSblog	A website that reports on the Supreme Court
Tax Policy Center	A tax-research group run by the Urban Institute and Brookings
Transactional Records Access Clearinghouse	A research center at Syracuse University that compiles federal enforcement data
Yale Budget Lab	A nonpartisan budget research center at Yale University

People

Name	Who they are
Amit Agarwal	Rebecca Slaughter's lawyer at the Supreme Court
Alan Armstrong	Republican senator from Oklahoma, appointed in 2026
Andrew Bailey	FBI co-deputy director, 2025-26
Joe Biden	President, 2021-25
Frank Bisignano	Commissioner of Social Security, who also runs the IRS
John Bolton	National security adviser in Trump's first term
Pam Bondi	Attorney general, 2025-26
Dan Bongino	FBI deputy director, 2025-26
Rob Bonta	California's attorney general, a Democrat
Gen. C.Q. Brown	Chairman of the Joint Chiefs of Staff, 2023-25
Orice Williams Brown	Acting comptroller general, the head of GAO
Sherrod Brown	Democratic Senate nominee in Ohio and a former senator
Lori Chavez-DeRemer	Secretary of labor, 2025-26
Andrew Clyde	Republican representative from Georgia

Name	Who they are
James Comey	FBI director, 2013-17
John Cornyn	Republican senator from Texas
Stephen Cox	Alaska's attorney general, a Republican
Gene Dodaro	Comptroller general, 2010-25
Jeffrey Epstein	Financier convicted of sex crimes, who died in jail in 2019
Tulsi Gabbard	Director of national intelligence, 2025-26
Gen. Randy George	Army chief of staff until his removal (Module 3)
Renee Good; Alex Pretti	American citizens killed by federal agents in Minneapolis (Module 6)
Darline Graham	Republican senator from South Carolina, appointed in 2026
Lindsey Graham	Republican senator from South Carolina, 2003-26
Cameron Hamilton	Administrator of FEMA
Jon Husted	Republican senator from Ohio, appointed in 2025
Letitia James	New York's attorney general, a Democrat
Joe Kent	Director of the National Counterterrorism Center until his resignation (Module 16)
Kevin Kiley	Representative from California, now an independent (Module 9)
Daniel Kowalski	Director of the Heritage Foundation's center for the federal budget
Scott Kupor	Director of OPM
Gen. Christopher LaNeve	Acting Army chief of staff
Maj. Gen. Steven Lepper (retired)	Former deputy judge advocate general of the Air Force
Thomas Massie	Republican representative from Kentucky
Brett Matsumoto	Commissioner of labor statistics
Jeff Merkley	Democratic senator from Oregon
Stephen Miran	Fed governor, 2025-26
Lisa Murkowski	Republican senator from Alaska
Elon Musk	Head of Tesla and SpaceX, who led DOGE informally in 2025 and is a major Republican donor
Kristi Noem	Secretary of homeland security, 2025-26, then a special envoy
Ken Paxton	Texas's attorney general and the Republican Senate nominee there
Bill Pulte	Director of the Federal Housing Finance Agency; acting director of national intelligence in 2026
Christopher Raia	FBI co-deputy director
Dan Rayfield	Oregon's attorney general, a Democrat
Molly Reynolds	A scholar of Congress at Brookings
John Sauer	Solicitor general, the government's lawyer before the Supreme Court
Erica Schwartz	Director of the CDC
Rebecca Slaughter	FTC commissioner, 2018-25, and the plaintiff in *Trump v. Slaughter*
Kevin Stitt	Governor of Oklahoma, a Republican
James Talarico	Democratic Senate nominee in Texas
Mike Waltz	Ambassador to the United Nations; national security adviser in 2025
Melissa Wolf	An official of the American Association of SNAP Directors

The officeholders in the table before Module 1, the commissions' members (Module 7), the committee chairs (Module 9), the justices (Module 12), the governors (Module 15), and the Fed's governors (Module 17) are in those tables.

Module 1 — Foundations

The Constitutional Design

Recommended Reading / Reference

Book: Alexander Hamilton, James Madison, and John Jay, *The Federalist Papers* (Nos. 10, 47-51, 70, 78)

Reference: The Constitution Annotated (constitution.congress.gov) and the Congressional Research Service's introductions to each branch

1a. Three Branches and a Compound Republic

The Constitution of 1787 divides the national government into three branches and the nation into two levels of government. Article I vests 'all legislative powers' in a Congress of two houses and lists what it may do: tax, borrow, regulate commerce, declare war, raise armies, coin money, and make the laws 'necessary and proper' to those ends. Article II vests 'the executive power' in a president who commands the military, makes treaties and appointments with the Senate's consent, and 'shall take care that the laws be faithfully executed.' Article III vests 'the judicial power' in one Supreme Court and in whatever lower courts Congress chooses to create.

Two premises hold the design together. The first, from Madison's Federalist 51, is that 'ambition must be made to counteract ambition,' so that each branch has both the means and the motive to resist encroachment by the others. The second, written into the Tenth Amendment, is that powers not delegated to the national government are reserved to the states or to the people. Madison called the result a compound republic, in which power is divided between two levels of government and, within each level, among separate departments.

1b. The Checks

Power	Held by	Checked by	Tested in 2025-26
Making law	Congress	The president's veto; judicial review	The two largest laws were budget reconciliation laws, which need only a simple majority in the Senate (Module 10)
Spending	Congress, through appropriations	The veto; the Impoundment Control Act of 1974, which limits the president's power to withhold funds Congress provided	Funding lapses in fiscal 2026, and repeated findings by Congress's auditor that funds were withheld unlawfully (Module 10)
Taxes and tariffs	Congress	Statutes that delegate trade powers to the president	The Supreme Court held that an emergency-powers statute gives the president no tariff power (Module 12)
Running the executive branch	The president	Senate confirmation; statutes that limit removal; the courts; inspectors general	The Court ended removal protection for the members of independent commissions but left it standing for the Federal Reserve (Module 7)
Appointments	The president	The Senate's advice and consent; the Vacancies Act, which limits acting officials	Acting officials ran the Justice and Labor Departments and the intelligence directorate for months in 2026 (Module 2)

Power	Held by	Checked by	Tested in 2025-26
War	Congress declares; the president commands	The War Powers Resolution's 60-day clock; appropriations	The war with Iran began without a declaration or authorization; resolutions to end it failed (Module 9)
Treaties	The president negotiates; two-thirds of the Senate consents	The Senate's vote	The United States left the World Health Organization and the Paris climate agreement, both effective in January 2026, without Senate votes
Judicial review	The courts	Appointments, jurisdiction, impeachment, and the executive's compliance	Rulings went both ways, and the administration complied with the final ones (Module 12)
Amending the Constitution	Two-thirds of Congress and three-quarters of the states	The difficulty of the process itself	No amendment since the 27th, ratified in 1992

The table shows where each check sits and how the events of 2025-26 tested it, and the modules it names carry the detail. The president's critics read the record as a series of checks bypassed, with money withheld after Congress appropriated it, agencies reorganized without statutes, and a war fought without a vote in Congress. The administration and its defenders read the same record as a president using the powers Article II gives him, with the courts deciding the hard cases and the government obeying their final rulings. The closing module weighs the two readings against the evidence of the whole course (Module 19).

1c. Federalism's Division

The federal government has enumerated powers, and the states have everything else, but in practice the line between them has moved for two centuries along three routes (Module 13). The commerce clause grew to let Congress regulate wheat that a farmer grew for his own use; the spending power lets Congress attach conditions to the money it gives the states; and preemption lets federal law override conflicting state law under the Supremacy Clause.

The division of labor follows from those rules: the states run most of what touches daily life, from elections and police to schools and land use, while Washington runs defense, foreign affairs, the currency, and immigration and pays for transfer programs that the states administer. Modules 13-15 cover the machinery of the relationship and the fights of 2025-26.

1d. The Amendments That Matter

Twenty-seven amendments have been ratified, beginning with the Bill of Rights of 1791, which limits what the national government may do to persons. The Civil War amendments ended slavery, guaranteed equal protection and due process against the states, and barred racial bars to voting. The Fourteenth is the source of most modern rights litigation, and its citizenship clause decided the birthright-citizenship case of June 2026 (Module 12). The Progressive Era added the income tax (16th) and the direct election of senators (17th), the 22nd limits presidents to two terms, and the 25th governs succession and disability (Module 2).

The design of 1787 is intact, and in 2025-26 its three branches contested where its lines fall, with the Supreme Court drawing most of them (Module 12).

Module 1 Key Points

Foundations

• Articles I-III divide legislative, executive, and judicial power; Madison set ambition against ambition, and the Tenth Amendment reserves the rest.

• Each power has a check, and 2025-26 tested nearly all of them: spending, tariffs, removals, war powers, and judicial review itself.

• Federalism's line moves through the commerce clause, conditions on federal money, and preemption; the states run elections, police, schools, and the Guard.

• The Fourteenth Amendment, the source of most rights litigation, decided the birthright-citizenship case in June 2026.

• The Court's 2025-26 term widened presidential control of agencies, denied emergency tariff power, and upheld birthright citizenship.

Module 1 Quiz

Check Your Understanding

1. What is the premise of Madison's Federalist 51?

A) That ambition must be made to counteract ambition
B) That majorities must rule
C) That the executive should be one person
D) That the judiciary should be the strongest branch because judges alone are appointed for life and need not seek votes

2. What does the Impoundment Control Act of 1974 restrict?

A) The president's power to veto a spending bill that includes provisions unrelated to spending
B) The number of appropriations bills
C) Congress's power to raise the debt limit
D) Withholding funds

3. Which route has moved the line between federal and state power since the founding?

A) Amendments that rewrote the commerce clause
B) The spending power, which lets Congress attach conditions to the money it gives the states
C) The Guard's transfer to federal control
D) State courts' review of federal statutes

4. Which amendment decided the birthright-citizenship case of June 2026?

A) The Tenth, on reserved powers
B) The 22nd, on presidential terms
C) The Fourteenth
D) The First

5. When was the last amendment to the Constitution ratified?

A) 1971, the 26th, which lowered the voting age to eighteen across the country
B) 1913
C) 1992, the 27th
D) 1967, the 25th, on succession

Module 2 — The Presidency, the Executive Office, and the Cabinet

The Office, Its Tools, and the People Around It

Recommended Reading / Reference

Book: Arthur Schlesinger Jr., *The Imperial Presidency*

Reference: The Federal Register's executive-order tables; the Brennan Center for Justice's list of declared national emergencies; the Congressional Research Service on the Executive Office of the President

2a. The Powers

The president is head of state and head of government, commander in chief of the armed forces, chief executive of the civil service and of the federal budget, chief diplomat, and one of only two officials, with the vice president, elected by the whole nation (Modules 8, 11, and 16). Article II's text is short, and the office's power has grown from it through practice, statute, and emergency. The president vetoes bills, grants pardons, and fills about 4,000 political posts, some 1,200 of which need the Senate's consent.

He also directs the executive branch through executive orders, which carry the force of law only where a statute or the Constitution supplies the authority, and through proclamations and declared national emergencies, which unlock more than a hundred powers Congress has delegated in advance. He directs prosecutions, enforcement, and regulation through agency heads he can now remove at will (Module 7), and he commands force at home and abroad. What he cannot do without Congress is spend money it has not appropriated, levy taxes, make law, or declare war, and the events of 2025-26 tested each of those limits.

2b. The Executive Office of the President

Unit	Head (October 2026)	What it does
White House Office	Chief of Staff Susie Wiles; Deputy Chiefs of Staff Stephen Miller (policy) and Dan Scavino; Counsel Will Scharf; Press Secretary Katie Zacharia	The president's personal staff for policy, politics, law, communications, and scheduling; Miller directs immigration and much of domestic policy
Office of Management and Budget (OMB)	Director Russell Vought	Assembles the budget, reviews regulations and legislation, releases appropriated funds to agencies (apportionment), and sets management policy; the instrument of the withholdings and workforce cuts (Modules 8 and 10)
National Security Council	Marco Rubio, national security adviser as well as secretary of state	Coordinates foreign, defense, and intelligence policy; Rubio ran it on an acting basis from May 2025, after Mike Waltz's removal, until he was named to the post in September 2026
Office of the US Trade Representative	Jamieson Greer	Negotiates trade agreements and runs tariff actions under the trade statutes
Council of Economic Advisers	Chair Christopher Phelan, confirmed in August 2026	Economic analysis and the annual Economic Report of the President
National Economic Council	Director Kevin Hassett	Coordinates economic policy across departments

Unit	Head (October 2026)	What it does
Office of Science and Technology Policy	Director Michael Kratsios	Science and technology policy, including the AI Action Plan of July 2025
Office of the Vice President	JD Vance	The vice president presides over the Senate and breaks tie votes; he cast seven in his first year

Heads as publicly reported in October 2026. The Executive Office also includes the drug-policy, environmental-quality, and domestic-policy offices.

The Executive Office of the President, created in 1939, is the president's own government, and three of its units, the White House Office, the budget office, and the National Security Council, do most of the work of running the executive branch. In 2025-26 the council shrank and lost its separate head, so that one person, Rubio, now runs both the State Department and the staff that traditionally weighs State's views against Defense's and the intelligence agencies'. The last person to hold both posts at once was Henry Kissinger, from 1973 to 1975.

2c. The Cabinet and How It Works

The cabinet as the White House lists it has twenty-one members: the heads of the fifteen executive departments, which run in the order Congress created them from State (1789) to Homeland Security (2002), and six other officers, from the budget director to the administrators of the Environmental Protection Agency and the Small Business Administration. Their names, ages, dates, and confirmation votes are in the table before Module 1, and Modules 3-6 profile the departments themselves.

All twenty-one posts were filled by March 2025, and four of the women in the cabinet left in a span of eleven weeks in the spring of 2026. Kristi Noem was moved from Homeland Security to a new post as special envoy on March 5, and Senator Markwayne Mullin succeeded her. Attorney General Pam Bondi was fired on April 2, and her deputy, Todd Blanche, served as acting attorney general until the Senate confirmed him. Labor Secretary Lori Chavez-DeRemer resigned on April 20 while under investigation for misconduct, and her deputy, Keith Sonderling, acted until his confirmation.

Tulsi Gabbard resigned as director of national intelligence on May 22, citing her husband's cancer diagnosis, and Bill Pulte, the director of the Federal Housing Finance Agency, served as acting director until Jay Clayton was sworn in. The turnover was high but not unprecedented: by the Brookings Institution's count, Trump's first cabinet lost seven members in its first two years. The acting periods were long, four months at Justice and more than five at Labor before the Senate confirmed successors.

The cabinet is not mentioned in the Constitution and has never governed as a body. Its meetings are largely for the public, and the decisions that matter are made by the president with a few senior aides, in 2025-26 chiefly Wiles, Miller, and Vought, and carried out by secretaries whose latitude depends on their standing with him. Some run their departments as principals, as Rubio does at State and Bessent at the Treasury, while others carry out policy set in the White House, as at Homeland Security on immigration. A secretary's real power lies in command of a department's staff, budget, and rules, which the removal ruling of 2026 and the new civil-service rules have made more directly answerable to the president (Modules 7 and 8).

2d. The Instruments, and the 2025-26 Record

Instrument	Count	Examples	Limit
Executive orders	288 in the second term as of October 1, 2026, a faster pace than any president's since at least 1981	Birthright citizenship (struck in 2026); the hiring freeze; the at-will civil-service rule; the 'Department of War' secondary title	The courts struck several (Module 12)
National emergencies	51 in effect on October 2, 2026, counting those declared by earlier presidents	The southern border; the trade emergencies used for tariffs; the energy emergency	Congress can end one by joint resolution, which the president can veto; the Court held the main emergency statute grants no tariff power
Pardons and commutations	More than 1,600 by January 2026, about 1,500 of them for January 6 defendants	Blanket pardons for the Capitol riot; pardons of political allies	Absolute for federal crimes; no power over state crimes
Removals	Commissioners at independent agencies, 17 inspectors general, the commissioner of labor statistics, and an attempt on a Federal Reserve governor	The Court upheld removals of commissioners in 2026 and blocked the Fed removal	The Federal Reserve is the exception (Modules 7 and 17)
Withholding funds	A $9 billion rescission enacted in July 2025, and end-of-year withholdings	The Government Accountability Office (GAO) has found several withholdings unlawful	The Impoundment Control Act; the dispute is in Module 10
Force	The Guard in American cities; strikes on drug boats; the war with Iran	Federalized Guard troops; air and naval strikes	The Posse Comitatus Act, the Insurrection Act, and the War Powers Resolution (Modules 9 and 14)

Executive orders: Ballotpedia, October 1, 2026. Emergencies: Brennan Center for Justice, October 2, 2026. Clemency: reported count, January 2026.

2e. Succession and the Twenty-Fifth Amendment

If the president dies, resigns, or is removed, the vice president succeeds him, followed by the Speaker of the House (Mike Johnson), the president pro tempore of the Senate (Chuck Grassley), and the cabinet secretaries in the order their departments were created: Rubio, Bessent, Hegseth, Blanche, Burgum, and so on to Mullin at Homeland Security. The statute covers officers confirmed by the Senate, and acting secretaries are generally treated as skipped, though whether one confirmed to another post qualifies is disputed. The question is moot for now, since every department has a confirmed head.

The Twenty-Fifth Amendment lets the president declare himself temporarily unable to serve, or lets the vice president and a majority of the heads of the executive departments declare it against his will, subject to a vote of Congress if he contests it. Trump was the oldest person ever inaugurated, at 78 years and 220 days, although Joe Biden, who left office at 82, remains the oldest to have served. Trump will pass Biden's mark in August 2028 if he completes his term.

Module 2 Key Points

The Presidency, the Executive Office, and the Cabinet

• The president commands 1.3 million troops and 2 million civil servants but cannot spend, tax, legislate, or declare war without Congress.

• Three units run the Executive Office: the White House staff, the budget office, and the National Security Council, which Rubio runs alongside State.

• Four cabinet members left in spring 2026, and acting officials ran Justice and Labor for months; every post is now filled.

• The second term produced 288 executive orders by October 1, 2026, and 51 national emergencies were in effect.

• Succession runs Vance, Johnson, Grassley, then the secretaries; Trump was the oldest person ever inaugurated.

Module 2 Quiz

Check Your Understanding

1. What can the president not do without Congress?

A) He cannot spend unappropriated money, levy taxes, make law, or declare war on his own.
B) He cannot grant pardons for federal crimes.
C) He cannot issue orders to executive agencies.
D) He cannot command troops in the field.

2. Who has run the National Security Council since May 2025?

A) Mike Waltz
B) Vice President Vance
C) The director of national intelligence, who also chairs the council's daily staff meetings in the Situation Room
D) Secretary of State Marco Rubio

3. What happened to the post of attorney general in 2026?

A) Bondi resigned to run for governor of Florida.
B) Bondi was fired, and Blanche replaced her.
C) The post sat vacant until a recess appointment.
D) Bondi was moved to a new post as a special envoy.

4. How many executive orders had the second term produced by October 1, 2026?

A) About 120
B) 288
C) Fewer than 100
D) More than 1,000, most of them signed in the first hundred days of the term

5. Why are acting secretaries said to be skipped in the line of succession?

A) Because they are not paid
B) The 25th Amendment bars them
C) Because the Speaker of the House must approve each acting secretary before he or she may serve
D) The statute covers officers confirmed by the Senate, though whether an acting secretary confirmed to another post qualifies is disputed

Module 3 — State, Defense, Treasury, and Justice

The Four Original Departments

Recommended Reading / Reference

Reference: Each department's budget justification; the President's budget for fiscal 2027 (April 2026); the Congressional Budget Office's *Monthly Budget Review* for September 2026; the Office of Personnel Management's workforce data

	State	Defense (War)	Treasury	Justice
Civilian staff, December 2025 (change in 2025)	11,713 in the civil service (−19%), plus a Foreign Service and local staff abroad that the count excludes	707,378 (−9%)	89,881 (−23%), about 74,000 of them at the IRS	107,415 (−8%)
Money	About $51 billion enacted for fiscal 2026; the 2027 request is $35.6 billion, 30% less	Fiscal 2026 outlays in Module 11; the 2027 request in Module 16	Pays the interest on the debt and the refundable tax credits (Module 11)	About $36 billion for fiscal 2026; the 2027 request is $40.8 billion
Major components	Regional and functional bureaus; consular affairs; the foreign-aid programs absorbed from USAID	The Joint Chiefs of Staff; the Army, Navy, Marine Corps, Air Force, and Space Force; eleven combatant commands	The Internal Revenue Service; the Bureau of the Fiscal Service, which manages the debt; the Office of Foreign Assets Control (OFAC); the Comptroller of the Currency; the Mint	The FBI, DEA, ATF, and Marshals Service; the US Attorneys in 94 districts; the litigating divisions; the Bureau of Prisons

Staff: on-board civilian employees, Office of Personnel Management data as compiled by the Pew Research Center (March 2026). Money: CBO's year-end figures where it reports them; otherwise the President's fiscal 2027 request, which is discretionary budget authority and so a different measure from outlays.

3a. State

The State Department conducts the country's diplomacy, issues its visas and passports, and since July 2025 runs what remains of foreign aid. The US Agency for International Development (USAID), an independent agency that employed 4,895 civil servants at the end of 2024, was taken apart by executive action in the spring of 2025, and its surviving programs moved into State; 370 of its staff remained a year later. State itself was reorganized in 2025 around what the administration calls 'America First' priorities, with layoffs in July of that year and the bureaus for democracy, human rights, and refugees cut back.

Secretary Rubio is also the national security adviser (Module 2). The department's work in 2025-26 has been the diplomacy of the war with Iran (Module 9), which had no ceasefire in force in mid-October, along with the talks over Ukraine, the bilateral tariff deals, and the revocation of thousands of foreign students' visas.

3b. Defense

The Department of Defense has carried 'Department of War' as a secondary title since an executive order of September 2025. Only Congress can change the legal name, and although the House voted to do so in its version of the 2027 defense authorization bill (Module 9), the Senate has not, so the change is not law. The

department is the country's largest employer, counting its active-duty troops (Module 16) and the civilians in the table above.

Its operational chain runs from the president through the secretary to the combatant commands that conduct operations: Central Command in the war with Iran, Northern Command at the border and in the Guard deployments, and Southern Command in the strikes on drug boats. The Joint Chiefs of Staff, chaired by General Dan Caine, who replaced the fired General C.Q. Brown, advise but do not command, and the military departments recruit, train, and equip the forces. Secretary Hegseth has removed senior officers, among them the Army's chief of staff, General Randy George, in April 2026. Module 16 covers the military's use at home and abroad.

3c. Treasury

The Treasury collects the government's revenue, borrows to cover the deficit (Module 17), pays the government's bills, supervises the national banks, and enforces sanctions. Most of its spending is interest on the federal debt, which now costs more than the military (Module 11).

Secretary Bessent, a former hedge-fund manager, has negotiated the tariff truce with China, overseen the regulation of dollar-backed stablecoins under the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act of July 2025, and managed the change at the Federal Reserve that brought Kevin Warsh to its chair (Module 17). After the Supreme Court struck down the emergency tariffs (Module 12), the Treasury refunded much of what importers had paid (Module 11). The IRS ended its free direct-filing program and lost about a quarter of its staff in 2025, and Frank Bisignano, the commissioner of Social Security, has also run it as its 'chief executive.' Bisignano says the agency now does more with fewer people, while the Yale Budget Lab estimates that the staff cuts will reduce the revenue the IRS collects by hundreds of billions of dollars.

3d. Justice

The Justice Department enforces federal law, prosecutes federal crimes, runs the federal prisons, and advises the executive branch through the Office of Legal Counsel, whose opinions bind it. Its leadership changed in 2026 (Module 2), and its attorney general is now Todd Blanche, who had been the president's lead defense lawyer at his 2024 criminal trial.

Does the department act independently of the White House? Independence from the president in individual prosecutions has been a norm since Watergate, and the department's record in 2025-26 has tested it. **The department's case** is that it follows the facts. Asked in April 2026 whether the president had directed a new indictment of the former FBI director James Comey, Blanche answered, 'Of course not, absolutely, positively not,' and said a grand jury had acted after nearly a year of investigation.

The critics' case, made by watchdog groups such as American Oversight, is that the department has been turned against the president's opponents. They point to indictments of Comey and of New York's attorney general Letitia James, to inquiries into other former officials, and to prosecutors removed after they declined to bring charges quickly.

The evidence runs both ways. A federal judge dismissed the Comey and James indictments in November 2025 because the interim United States attorney who brought them was serving unlawfully, a grand jury in Washington declined in February 2026 to indict six Democratic lawmakers, and a judge quashed subpoenas aimed at the Federal Reserve's chair in March, after which the department dropped that inquiry. On the other side, a grand jury in North Carolina indicted Comey again in April 2026 over a social-media post the indictment treats as a threat, a case now set for trial in 2027, and the former national security adviser John Bolton pleaded guilty in June to unlawfully keeping classified information. **The course's reading:** the department has brought cases against the president's critics that grand juries and judges have mostly rejected, so the check on it in 2025-26 has come from outside the department rather than from within it.

Module 3 Key Points

State, Defense, Treasury, and Justice

• USAID was taken apart in 2025 and its programs moved into State; the 2027 budget asks for a 30% cut to State.

• Defense is the largest employer: 1.3 million troops and 707,378 civilians; the 2027 request is $1.5 trillion, 44% more.

• Net interest of $1.14 trillion in fiscal 2026 exceeded military spending; Treasury refunded about $130 billion of struck tariffs.

• Bondi was fired in April 2026, and Blanche, the president's former defense lawyer, became attorney general in August.

• Grand juries and judges, not the department itself, stopped most of the cases brought against the president's critics.

Module 3 Quiz

Check Your Understanding

1. What happened to USAID in 2025?

A) Merged into Defense
B) Expanded with new funds
C) Taken apart by executive action, with its programs moved into State
D) Left untouched, its staff and budget carried over to fiscal 2026 unchanged

2. What is the legal status of the name 'Department of War'?

A) A secondary title set by executive order
B) The legal name since 2025
C) Rejected by the House in a recorded vote in 2026
D) Adopted by Congress in the defense authorization act of 2027, which the president signed in July 2026

3. How did net interest compare with military outlays in fiscal 2026?

A) About half as large as defense
B) Higher than the military's outlays in fiscal 2026
C) Lower by a third
D) Equal to the military

4. Who is Todd Blanche?

A) He is a judge in Manhattan.
B) He is a senator from Oklahoma who moved to the cabinet in 2026.
C) He is the deputy director of the FBI, appointed in January 2026.
D) He is the attorney general, once the president's lawyer.

5. What does the evidence show about the cases brought against the president's critics?

A) Every one ended in a conviction
B) Prosecutors dropped every one
C) Grand juries and judges stopped most of them
D) Congress halted them by statute in 2026 after a bipartisan investigation

Module 4 — Interior, Agriculture, Commerce, and Labor

The Land, Food, Business, and Work Departments

Recommended Reading / Reference

Reference: The Bureau of Reclamation's Record of Decision on the Colorado River (August 2026); the Agriculture Department's SNAP data tables; the Census Bureau's proposed residence criteria (*Federal Register*, September 10, 2026); the Labor Department inspector general's reports

	Interior	Agriculture	Commerce	Labor
Civilian staff, December 2025 (change in 2025)	56,872 (−11%)	72,049 (−21%)	42,084 (−14%)	12,421 (−14%)
Money	$15.9 billion requested for 2027, 13% less than 2026	Most of its spending is food assistance (Module 11)	$15 billion of outlays in fiscal 2026, half the 2025 figure	$10.7 billion requested for 2027, a quarter less than 2026
Major components	Bureau of Land Management; National Park Service; Fish and Wildlife Service; US Geological Survey; Bureau of Indian Affairs; Bureau of Reclamation	Forest Service; Food and Nutrition Service (SNAP, WIC, school meals); Farm Service Agency; crop insurance; food-safety inspection	Census Bureau; International Trade Administration; the National Oceanic and Atmospheric Administration (NOAA); Patent and Trademark Office; Bureau of Industry and Security	The Occupational Safety and Health Administration (OSHA); the Wage and Hour Division; the Bureau of Labor Statistics (BLS); the pension regulator

Staff: OPM data compiled by the Pew Research Center. Money: CBO's fiscal 2026 outlays where it reports them; otherwise the fiscal 2027 request in discretionary budget authority.

4a. Interior

Interior manages a fifth of the nation's land, most of it in the West, along with the national parks, offshore energy, the federal relationship with the tribes (Module 15), and Western water through the Bureau of Reclamation. Secretary Burgum, a former governor of North Dakota, also chairs the National Energy Dominance Council created in 2025, and the department has opened more public land to drilling, mining, and logging while withdrawing areas from offshore wind leasing. The National Park Service has no confirmed director; the nominee was withdrawn in April 2026.

The department's hardest problem is the Colorado River, which supplies about 40 million people. The interim guidelines of 2007 expired on September 30, 2026, and with the seven basin states unable to agree on a successor, Interior issued its own framework for 2027-2036 in August. Under the final environmental study of July 31, the cuts in 2027-28 fall on the lower basin, with Arizona, the most junior water-rights holder, losing 760,000 acre-feet a year. Whether Interior can impose reductions on the lower basin without matching cuts upstream is contested under the Colorado River Compact of 1922.

4b. Agriculture

Agriculture is the largest department the public does not think of as large, because most of its money goes to food assistance rather than to farms. The Supplemental Nutrition Assistance Program (SNAP) served 37.0 million people in April 2026, down 5.4 million since September 2025, after the July 2025 budget law's tighter work requirements took effect on February 1. Secretary Rollins says the department removed nearly six million people from the rolls for fraud or failure to meet the work rules.

The same law shifts more of SNAP's cost to the states, and for the first time part of its benefits. States have paid 75% of the program's administrative costs, up from half, since October 1, 2026, and later they will pay up to 15% of benefits, scaled to each state's error rate (Module 13). For farmers, the trade war cost soybean growers most of their Chinese market in 2025, and the department announced a $12 billion aid package that December.

4c. Commerce

Commerce is a holding company of unrelated agencies, from the census to weather forecasting to export controls, and under Secretary Lutnick it became the administration's tariff engine, running the national-security investigations under Section 232 of the trade laws on which the tariffs were rebuilt after the Supreme Court struck down the emergency tariffs (Module 12). It also turned federal grants for semiconductor factories into a 10% government stake in Intel in August 2025.

Who counts for apportionment? On September 10, 2026 the Census Bureau proposed rules for the 2030 count that would leave out of the apportionment of House seats anyone who is neither a citizen nor a lawful permanent resident, using tax and other administrative records to determine status. **The administration's case**, which Representative Andrew Clyde would take further with a bill to apportion seats by citizenship alone, is that seats should follow the lawful population, not people who are in the country unlawfully or temporarily. **The critics' case**, made by Democratic officials, is that the Fourteenth Amendment apportions seats by 'the whole number of persons in each State,' and that sorting people by tax records would make the count less accurate.

The evidence is mostly constitutional and statistical. The amendment's text speaks of persons rather than citizens, and every apportionment since 1790 has counted noncitizens, while the Tax Policy Center warns that relying on tax records 'could put 2030 Census accuracy at risk.' **The course's reading:** the text and two centuries of practice favor counting all residents, so a final rule will face a constitutional challenge that the administration is more likely to lose than to win.

4d. Labor

Labor enforces wage, hour, and safety law, runs the unemployment-insurance system with the states, oversees private pensions, and houses the Bureau of Labor Statistics. The president fired the bureau's commissioner in August 2025 after a weak jobs report, and its data went dark for six weeks during the shutdown that autumn; the Senate confirmed Brett Matsumoto, a career economist at the bureau, as commissioner in August 2026. The department's inspector general, whose investigation of Secretary Lori Chavez-DeRemer was under way when she resigned in April 2026 (Module 2), described a 'toxic, intimidating and humiliating' workplace in a report in September. Labor law also changed outside the department, at the independent National Labor Relations Board (Module 7).

Module 4 Key Points

Interior, Agriculture, Commerce, and Labor

• Interior imposed its own Colorado River rules after the 2007 guidelines expired; Arizona's cut is 760,000 acre-feet a year.

• SNAP served 37.0 million people in April 2026, 5.4 million fewer than in September 2025, after new work rules.

• States now pay 75% of SNAP's administrative costs and, from October 2027, up to 15% of benefits.

• A proposed census rule would drop people without lasting legal status from apportionment; the Fourteenth Amendment's text counts 'persons.'

• The labor-statistics commissioner was fired in 2025; a career economist was confirmed in his place in August 2026.

Module 4 Quiz

Check Your Understanding

1. What happened when the Colorado River's 2007 guidelines expired?

A) Interior imposed its own rules

B) The seven basin states signed a new compact that splits the cuts equally between upper and lower basins

C) Congress passed a new water law

D) Mexico took over the river's management

2. What happened to SNAP enrollment after the new work rules took effect?

A) It rose to a record

B) It stayed flat at 42 million people

C) It fell 5.4 million, to 37.0 million

D) It doubled after the rules took effect

3. What does the July 2025 law eventually require of the states for SNAP?

A) Every eligible applicant must be approved within 30 days or the state forfeits its share

B) All of the program's costs

C) Only its administrative costs

D) Up to 15% of benefits

4. What does the proposed census rule of September 2026 do?

A) Drops people without lasting legal status from the count for apportioning seats

B) Adds a citizenship question to every form

C) Moves the census to 2028

D) Counts only citizens

5. Who was confirmed as commissioner of labor statistics in August 2026?

A) A member of Congress

B) A career BLS economist

C) The fired commissioner, reinstated

D) A Wall Street economist

Module 5 — Health and Human Services, Housing, Transportation, and Energy

The Departments That Spend the Most and Build the Most

Recommended Reading / Reference

Reference: CBO's *Monthly Budget Review* for September 2026; the President's fiscal 2027 budget; the district court's order in *American Academy of Pediatrics v. Kennedy* (March 16, 2026); the Energy Department's reactor pilot program announcements

	Health and Human Services	Housing and Urban Development	Transportation	Energy
Civilian staff, December 2025 (change in 2025)	75,134 (−19%)	6,299 (−29%)	53,512 (−7%)	14,955 (−15%), plus the laboratories' contractors
Money	Most of its spending is Medicare and Medicaid (Module 11)	Outlays in Module 11	The highway program runs on the Highway Trust Fund and its gas tax of 18.4 cents a gallon, unchanged since 1993	$53.9 billion requested for 2027, 10% more, with $32.8 billion for nuclear weapons
Major components	The Centers for Medicare and Medicaid Services; the National Institutes of Health (NIH); the Food and Drug Administration (FDA); the Centers for Disease Control and Prevention (CDC)	Public and Indian Housing; the FHA; Community Planning and Development; Fair Housing; Ginnie Mae	The Federal Aviation Administration (FAA); the highway, transit, and railroad administrations; the vehicle and pipeline safety agencies	The National Nuclear Security Administration (NNSA); the Office of Science; the national laboratories; the power marketing administrations

Staff: OPM data compiled by the Pew Research Center. Money: the fiscal 2027 request, or CBO's fiscal 2026 outlays in Module 11.

5a. Health and Human Services

HHS is the government's largest civilian spender, and most of its money goes to Medicare and Medicaid. Secretary Kennedy reorganized the department in March 2025, cutting about 20,000 positions and merging 28 divisions into 15, and the 2027 budget asks for 12% less for the NIH. The July 2025 budget law cuts federal health spending by about $1 trillion over ten years, mostly from Medicaid, through work requirements that states must start by January 2027, eligibility checks every six months for adults covered by the program's expansion, and limits on the provider taxes states use to fund their share. The CBO estimated that about 10 million people would lose coverage.

Who sets vaccine policy? Kennedy dismissed all seventeen members of the CDC's vaccine advisory committee in June 2025 and appointed his own, the CDC's director was fired that August, and on January 5, 2026 a CDC memorandum cut the diseases the routine childhood schedule targets from seventeen to eleven. **The department's case**, made in its appeal, is that a secretary must be able to rebalance an advisory committee and that the law does not require the CDC director to consider the committee's advice before changing a schedule.

The challengers' case, brought by the American Academy of Pediatrics and other medical groups, is that the memorandum ignored the evidence and the process the law requires, and that the new committee was stacked in violation of the federal law on advisory committees. **The evidence** so far favors the challengers in

court: on March 16, 2026 a federal judge in Massachusetts blocked the memorandum, suspended thirteen of the fifteen new appointments, and stayed the committee's 2025 votes, so the schedule reverted to its 2024 version, a part of the order the government's appeal does not challenge. The committee had no quorum in July, and the Senate confirmed a new CDC director, Erica Schwartz, a retired rear admiral of the Public Health Service, on August 5. **The course's reading:** the secretary has broad authority over the department's advice, but the courts have required him to exercise it through the procedures the law sets.

5b. Housing and Urban Development

HUD pays for rental vouchers and public housing for millions of low-income households, insures mortgages through the FHA, and makes community-development grants to cities. Secretary Turner's 2027 budget would end the two largest block grants for community development and affordable housing, a cut of about $4.5 billion, and fold the homelessness grants into a single program, while dropping the previous year's plan to turn rental assistance over to the states. Congress passed a bipartisan housing law in July 2026, which the department is now carrying out. The affordability problem the department is named for depends mostly on things it does not control, above all a 30-year mortgage rate of 7.40% in mid-October and a shortage of homes for sale.

5c. Transportation

Transportation sends highway money to the states, runs the air-traffic system through the FAA, and makes grants for transit and rail. Secretary Duffy's tenure began with the collision of an Army helicopter and a regional jet at Reagan National Airport on January 29, 2025, which killed 67 people and exposed the system's shortage of controllers and its aging equipment. The July 2025 law provided $12.5 billion to modernize air-traffic control, the FAA hired the contractor Peraton in February 2026 to integrate the work under a $1.5 billion contract, and Duffy has asked Congress for $19-20 billion more. The FAA remains about 3,500 controllers short of its target, and during the shutdown of autumn 2025, when unpaid controllers stayed home, it ordered flight cuts at 40 airports. The highway and transit programs' authorization, due to expire on September 30, 2026, was extended by the stopgap (Module 10).

5d. Energy

The Energy Department is mostly a nuclear-weapons agency, as its budget shows (table above), and most of the rest goes to the seventeen national laboratories, the cleanup of Cold War weapons sites, and research. Secretary Wright, who founded an oil-field services company, has ordered aging coal plants to stay open under emergency authority, cancelled clean-energy loans while making loans for gas and nuclear projects, and run a pilot program under which four advanced reactors reached criticality between June 4 and July 4, 2026, against a goal of three. During the war with Iran the United States committed 172 million barrels from the Strategic Petroleum Reserve to a coordinated international release, and the reserve fell to 284.6 million barrels in September 2026, its lowest level since 1982.

Module 5 Key Points

Health and Human Services, Housing, Transportation, and Energy

- Medicare and Medicaid cost about $1.8 trillion in fiscal 2026, most of HHS's spending.
- The 2025 budget law cuts health spending about $1 trillion over ten years, mostly Medicaid; work requirements start in January 2027.
- A court blocked the CDC's cut of the diseases its routine childhood schedule targets from seventeen to eleven, restoring the 2024 schedule pending appeal.
- Air-traffic control got $12.5 billion in 2025, but the FAA is still about 3,500 controllers short of its target.
- The Strategic Petroleum Reserve fell to 284.6 million barrels in September 2026, the lowest since 1982.

Module 5 Quiz

Check Your Understanding

1. What did a federal judge do to the CDC's vaccine memorandum in March 2026?

A) Blocked it, restoring the 2024 schedule
B) Upheld it
C) Sent it to Congress
D) Made it binding on every state's health department

2. By when must states start Medicaid's new work requirements?

A) Already, in 2025
B) January 2027, under the July 2025 law
C) Never; repealed
D) In 2030

3. Why did the FAA order flight cuts at 40 airports in the autumn of 2025?

A) A blizzard closed the airports.
B) A strike by pilots grounded the regional carriers for most of a week.
C) The collision at Reagan National closed the busiest airspace for months.
D) Unpaid controllers stayed home in the shutdown.

4. What is most of the Energy Department's budget for?

A) Renewable-energy subsidies for homes
B) Oil and gas leasing
C) Nuclear weapons
D) Electricity sold by the federal dams in the West

5. Where did the Strategic Petroleum Reserve stand in September 2026?

A) Lowest since 1982
B) Full, after Congress bought oil to refill it during the war with Iran and the closure of Hormuz
C) At its peak of 2010
D) Emptied entirely by the war

Module 6 — Education, Veterans Affairs, Homeland Security, and the Cabinet-Level Agencies

The Departments Being Closed, Defended, and Expanded

Recommended Reading / Reference

Reference: The executive order of March 20, 2025 on the Education Department and the Supreme Court's order in *McMahon v. New York* (July 2025); the Secure America Act (Public Law 119-98, June 2026); the FEMA Review Council's final report (May 2026); ICE's detention statistics

	Education	Veterans Affairs	Homeland Security
Civilian staff, December 2025 (change in 2025)	2,453 (−43%)	451,121 (−6%)	227,584 (−2%), not counting the Coast Guard's uniformed members
Money	Fiscal 2026 outlays in Module 11; $76.5 billion requested for 2027, 3% less	Fiscal 2026 outlays in Module 11; $488.2 billion requested for 2027	$63 billion requested for 2027, 3% less, on top of the multiyear enforcement money in 6c
Major components	Federal Student Aid; the elementary and secondary programs; the National Center for Education Statistics; the offices being moved to other departments (6a)	The Veterans Health Administration; the Veterans Benefits Administration; the National Cemetery Administration	Customs and Border Protection (CBP), which includes the Border Patrol; Immigration and Customs Enforcement (ICE); Citizenship and Immigration Services; the Transportation Security Administration (TSA); the Coast Guard; the Federal Emergency Management Agency (FEMA); the Secret Service; the Cybersecurity and Infrastructure Security Agency

Staff: Office of Personnel Management data compiled by the Pew Research Center. Money: the 2027 figures are the President's requests.

6a. Education: The Department Being Closed

The Education Department never ran schools, which states and local school districts run (Module 15), mostly with state and local money. The department distributes federal aid such as Pell grants for low-income students, Title I money for poor districts, and special-education grants, enforces civil-rights law in schools and colleges, and holds the $1.7 trillion portfolio of federal student loans. An executive order of March 2025 directed Secretary McMahon to take every step the law allows toward closing it, and the Supreme Court let the department's layoffs proceed in July 2025 while the lawsuits continue.

Since then the department has moved its programs to other departments under interagency agreements, and the ten signed before June 2026 moved more than a hundred programs to Labor, Interior, State, Treasury, and HHS. Four more on June 16, 2026 sent special education and vocational rehabilitation, about $15 billion a year, to HHS, and the Office for Civil Rights and student-privacy enforcement to the Justice Department.

Can a department be closed this way? The administration's case is that the order follows the law: the programs Congress created continue, the money still flows, and officials say that moving the civil-rights office 'will not affect students, parents, and families.' **The critics' case**, made by Democrats, disability and

civil-rights advocates, and the states that sued, is that Congress created the department by statute in 1979 and that parceling out its offices dismantles it without a vote. House appropriators wrote in their committee's report that 'fragmenting responsibilities for education programs across multiple agencies will create inefficiencies,' although Republicans on the committee blocked Democratic language to bar the agreements.

The evidence: no law has abolished the department, the 2027 request keeps its funding close to the 2026 level (table above), and more than half of the civil-rights office's regional offices have closed. **The course's reading:** the programs written into statute have survived, but the statute that created the department has not protected it as an agency, because no court has ordered the transfers undone and Congress has passed no law either way.

6b. Veterans Affairs: The Department Being Defended

VA is the largest civilian department, and its spending is among the fastest-growing in the government, driven by claims under a 2022 law that expanded benefits for veterans exposed to toxic burn pits, and by an aging population of veterans. It runs the country's largest integrated health system, for about 9 million enrolled veterans in 170 medical centers and about 1,200 clinics, and it pays disability compensation, runs the G.I. Bill, and keeps the national cemeteries.

Secretary Collins's plan of March 2025 to cut 80,000 positions drew protests from veterans' groups and in Congress, and in July 2025 it was scaled back to about 30,000 departures by attrition. The policy debate inside the department is over 'community care,' under which veterans see private doctors at VA expense: its supporters say it shortens waits, while many veterans' organizations say it drains money from VA's own hospitals.

6c. Homeland Security: The Department Being Expanded

Homeland Security, assembled in 2002 from 22 agencies, is the department the administration has grown. The July 2025 budget law gave immigration and border enforcement about $170 billion over four years, $75 billion of it for ICE. The Secure America Act, signed on June 10, 2026 and passed by budget reconciliation like the 2025 law (Module 9), added $70 billion through 2029: $38.5 billion for ICE, $22.6 billion for CBP, and the rest for border technology and the secretary's discretion.

The department's regular funding for fiscal 2026 was enacted only after a record lapse confined to DHS (Module 10). Senate Democrats had refused to fund it without new limits on ICE and the Border Patrol after federal agents killed two American citizens, Renee Good and Alex Pretti, in Minneapolis in January 2026. ICE and CBP kept operating through the lapse on the multiyear money from the 2025 law, and the bill that ended it left them out.

Is the enforcement surge working? The administration's case is that it has secured the border and is removing people who have no right to stay. DHS announced on October 16 that border crossings in fiscal 2026 were the lowest of any year on record, ICE removed 319,980 people in fiscal 2025 through September 20 and 356,389 in fiscal 2026 through late July, and ICE's budget sets a goal of a million removals a year. **The critics' case**, made by Democrats and immigrant-rights groups, is that the surge sweeps up people who have committed no crime and puts citizens at risk.

The evidence supports parts of both. Border Patrol apprehensions from October 2025 to February 2026 averaged 6,897 a month, the lowest since 1966, and fiscal 2026 removals were on pace to rival the record of 438,421 removals by all of DHS, set in fiscal 2013. On November 16, 2025, 73.6% of detainees had no

criminal conviction, by the count of the Transactional Records Access Clearinghouse at Syracuse University, and 92% of the growth in detention from October to early January was of people without convictions, before the detained population peaked at a record 70,766 in late January. ICE said in July 2026 that about 60% of its detainees had a criminal record, and at least 47 people died in its custody between January 2025 and April 2026.

The course's reading: the surge has achieved its first aim, a border with the fewest crossings in decades, and its growth has fallen mostly on people without criminal convictions, which is where its legal and political fights are concentrated.

FEMA has survived the president's stated wish in 2025 to phase it out after that year's hurricane season. A review council he appointed recommended in May 2026 keeping the agency but remaking it as a 'payer of last resort,' with formula payments to states within 30 days of a disaster declaration, fewer federal declarations, and flood insurance moved toward the private market, though the most consequential changes need Congress. The Senate confirmed Cameron Hamilton as its administrator in August 2026; he had been fired as acting head in May 2025, the day after telling Congress that eliminating FEMA was not in Americans' best interest.

6d. The Cabinet-Level Agencies

Six officers outside the departments sit in the cabinet: the budget director and the trade representative, who head offices in the Executive Office (Module 2), and the heads of the four agencies below.

Agency	Staff and money	Role and 2025-26
Environmental Protection Agency (EPA)	14,661 staff (−14% in 2025); $4.2 billion requested for 2027, about half the 2026 level	Air, water, chemicals, and the Superfund cleanups of toxic sites. Its repeal of the 2009 finding that greenhouse gases endanger public health, finalized on February 12, 2026, also ended federal greenhouse-gas standards for vehicles. The EPA argues that the Clean Air Act does not authorize rules aimed at global climate change; 24 states and 17 health and environmental groups are challenging the repeal in the federal appeals court in Washington
Office of the Director of National Intelligence	Staff cuts in Module 16	Coordinates the intelligence agencies (Module 16)
Central Intelligence Agency	Budget and staff classified	Foreign intelligence and covert action (Module 16)
Small Business Administration	5,779 staff (−33% in 2025)	Loans and loan guarantees for small businesses and for disaster victims

Heads are in the table before Module 1. The UN ambassador, Mike Waltz, is not on the White House's cabinet list.

Module 6 Key Points

Education, Veterans Affairs, Homeland Security, and the Cabinet-Level Agencies

• Education's offices are moving to other departments under interagency agreements; its programs survive in statute, and Congress has not voted on closing it.

• VA's plan to cut 80,000 jobs was scaled back to about 30,000 departures by attrition after protests.

• Immigration enforcement got about $170 billion in 2025 and $70 billion more in June 2026, both through budget reconciliation.

• Border crossings fell to their lowest in decades, while most ICE detainees in late 2025 had no criminal conviction.

• The EPA repealed its 2009 greenhouse-gas endangerment finding in February 2026; 24 states and 17 groups have sued.

Module 6 Quiz

Check Your Understanding

1. Why do the Education Department's programs continue?

A) The states took them over
B) A court ordered it
C) They are written into statute
D) A private contractor runs them under a federal charter

2. What happened to VA's plan of March 2025 to cut 80,000 positions?

A) Blocked by a court
B) Expanded to 120,000 positions by 2026
C) Carried out in full by layoffs in 2025, with veterans' hospitals cut first and clinics closed
D) Scaled to 30,000 by attrition

3. How did Congress add money for immigration enforcement in June 2026?

A) By a regular appropriation
B) Through the Secure America Act, a reconciliation law
C) Through an emergency supplemental
D) By executive transfer

4. What does the evidence show about who is detained by ICE?

A) Nearly all were convicted of violent crimes.
B) Most were recent arrivals caught at the border crossing points.
C) Most were visa overstays from Europe and Asia.
D) Most detainees in late 2025 had no criminal conviction.

5. What did the EPA finalize on February 12, 2026?

A) A carbon tax on coal and gas power plants
B) Repeal of the endangerment finding
C) Stricter greenhouse-gas standards for cars
D) Its merger into the Energy Department

Module 7 — The Independent Agencies and the Regulatory State

The Fourth Branch, and What 2026 Did to It

Recommended Reading / Reference

Reference: *Trump v. Slaughter*, No. 25-332 (June 29, 2026); *Trump v. Cook* (June 29, 2026); *Humphrey's Executor v. United States* (1935); the Administrative Conference of the United States' *Sourcebook of United States Executive Agencies*

7a. What They Are

The independent agencies are the regulators Congress placed at arm's length from the president. Most are commissions of five or seven members with staggered terms, a cap on how many may come from one party, and, until 2026, protection from removal except for cause. The first, the Interstate Commerce Commission, dates from 1887, and the model spread with the Federal Trade Commission (FTC) in 1914, the Securities and Exchange Commission (SEC) and the Federal Communications Commission (FCC) in 1934, and the National Labor Relations Board (NLRB) in 1935. They write and enforce the rules for securities, communications, energy, labor relations, consumer products, nuclear plants, and campaign finance.

A second kind has a single head, as the Social Security Administration and the Consumer Financial Protection Bureau (CFPB) do. The Supreme Court held in 2020 and 2021 that Congress could not protect a single director from removal, so those heads already served at the president's pleasure before 2026, and President Biden fired the Social Security commissioner in 2021 on that reasoning.

Commission	Members, October 2026	Removals and changes, 2025-26	What it regulates
Securities and Exchange Commission	Chairman Paul Atkins and two other Republicans; two seats vacant	Its last Democrat left on January 2, 2026	Securities markets, corporate disclosure, and enforcement
Federal Trade Commission	Chairman Andrew Ferguson and Mark Meador, both Republicans; three seats vacant	Both Democrats fired (7b)	Antitrust and consumer protection
Federal Communications Commission	Chairman Brendan Carr and Olivia Trusty (Republicans) and Anna Gomez (Democrat)	A Republican nominee pending since August 2026	Spectrum, broadcasting, and telecommunications
National Labor Relations Board	Three Republicans and one Democrat; one seat vacant	A Democratic member fired in January 2025; quorum restored on January 7, 2026, when two members confirmed in December were sworn in	Union elections and unfair labor practices
Federal Energy Regulatory Commission (FERC)	Chairman Laura Swett; a Republican majority	Two Republicans confirmed in October 2025	Wholesale electricity and gas markets, pipelines, and transmission
Nuclear Regulatory Commission (NRC)	Five seats	A Democratic commissioner fired in June 2025; a May 2025 order set an 18-month limit on licensing decisions	Civilian reactors and nuclear materials

Commission	Members, October 2026	Removals and changes, 2025-26	What it regulates
Federal Election Commission (FEC)	Two Democrats, Chair Shana Broussard and Dara Lindenbaum	Its chair removed in February 2025; quorum of four lost on April 30, 2025; two Republicans nominated in February 2026	Campaign-finance rules and enforcement
Consumer Product Safety Commission (CPSC)	Acting Chairman Peter Feldman and two members confirmed in August 2026	Three Democrats fired in May 2025; quorum restored on August 7, 2026	The safety of consumer products
Equal Employment Opportunity Commission (EEOC); Merit Systems Protection Board (MSPB)	Republican majorities	Members fired in early 2025; both quorums restored on October 8, 2025	Workplace discrimination; federal employees' appeals
Federal Reserve Board	The governors in Module 17	A governor's removal blocked (7c)	Monetary policy and bank supervision

Membership as of October 2026 from agency and press reports. A quorum is the minimum number of members a commission needs to act.

7b. *Humphrey's Executor* and *Trump v. Slaughter*

In 1935 the Supreme Court held in *Humphrey's Executor* that Congress could protect the FTC's members from removal without cause, because the commission exercised 'quasi-legislative' and 'quasi-judicial' powers rather than purely executive ones. Every commission's protection rested on that decision, and in 2025 the president set out to test it by removing members of seven commissions without cause. The FTC's two Democrats were fired in March 2025, and one of them, Rebecca Slaughter, sued and was reinstated by the lower courts before the Supreme Court heard her case on December 8, 2025.

The Court ruled for the president (Module 12), with Chief Justice Roberts writing for Justices Alito, Gorsuch, Kavanaugh, and Barrett, and for Justice Thomas in all but one part, that the FTC's powers are 'quintessentially executive' and that the president may remove the officers who exercise them. Justices Sotomayor, Kagan, and Jackson dissented from a holding that leaves *Humphrey's* standing only for a body that exercises 'no part of the executive power'; 'if anything more is left of Humphrey's,' Roberts wrote, 'we overrule it.'

Should the heads of the commissions serve at the president's pleasure? The administration's case, argued by Solicitor General John Sauer, is that *Humphrey's* was 'grievously wrong when decided' and protected 'a headless fourth branch insulated from political accountability and democratic control.' On this view the voters who elect a president should be able to hold him responsible for the whole executive branch. **The challengers' case**, argued by Slaughter's lawyer, Amit Agarwal, is that the president's 'duty to execute the law does not give him the power to violate the law with impunity.' Commissions protected from removal have existed since 1790, he argued, so 'if petitioners are right, all three branches of government have been wrong from the start.'

The evidence is the commissions' makeup in October 2026: the FTC and the SEC have no Democratic members, and the boards whose quorums were restored got Republican majorities, while Democrats still hold seats on the NLRB, the FCC, and FERC. The statutes' caps on members from one party survive, but a president who can remove members at will and leave seats empty can keep a commission in his own party's hands. **The course's reading:** the decision completes a line the Court began in 2010, when it struck down a two-layer protection from removal, and Congress keeps the means it always had, the structure, funding, and confirmation of the agencies, but it has not responded with legislation, so several commissions now work without any minority member.

7c. The Federal Reserve Exception

The Court stopped short of the Federal Reserve, whose Governor Lisa Cook the president tried to remove in August 2025 over allegations, which she denies, of false statements on mortgage applications she made before joining the Board. In the *Cook* case, decided on the same day as *Slaughter*, Roberts wrote for Kavanaugh and the three liberal justices that Cook had not received the notice and chance to respond that the law requires, and that 'the Federal Reserve operates at a deliberate remove from the ordinary political process.' Kavanaugh added that ending the governors' protection 'must occur through the legislative process.'

The ruling decided procedure: it left the governors' protection standing, which the government did not contest, and did not say whether the allegations amount to cause. The president began again with a notice on August 5, 2026, and on October 9 he set up a White House 'committee of inquiry,' which is to hold a closed hearing that Cook 'shall' attend (Module 19), although she has not been charged with any crime.

Is the exception principled? Its defenders, the majority among them, rest it on the Fed's design and on 'our Nation's tradition of central banking,' and Cook says the Fed should answer 'to its mission, not political intimidation.' Four justices dissented: Justice Thomas wrote that the statute says nothing about notice or a hearing and that Article II lets the president remove executive officers at will; Justice Alito, joined by Justice Gorsuch, would have resolved the application by brief order; and Justice Barrett called the order a significant interference with the removal power. **The course's reading:** the exception rests on statutory procedure and history rather than on a principle that separates monetary policy from other regulation, so the November hearing and any removal after it will test it (Module 17).

7d. What 'Independent' Now Means

An independent agency now keeps three things, the first being a statute that still fixes its seats, staggers its terms, and caps how many members may come from one party. Some have budgets outside the annual appropriations, since the Fed funds itself and the CFPB draws on the Fed, while the NRC and FERC, though appropriated each year, recover most of their costs from fees. And their rules must still go through public notice and comment and survive review in court, review the Supreme Court made stricter when it ended deference to agencies' readings of ambiguous statutes in *Loper Bright* (2024).

What they have lost is distance from the White House: a February 2025 order requires the independent regulators to send their significant rules to the budget office for review, as executive agencies have done since 1981, and a January 2025 order requires agencies to repeal ten regulations for each new one. The CFPB shows how far the change can go: run since February 2025 by Vought, the budget director, as acting director, it has withdrawn dozens of its guidance documents and tried to lay off most of its staff.

The courts have slowed that wind-down without settling it. A district court rejected the administration's attempt to stop drawing the bureau's funds from the Fed in December 2025, the budget office then requested $145 million from the Fed to run it through mid-2026, and the full appeals court in Washington heard the employees' union's challenge in February 2026. The arm's-length model Congress built from 1887 onward has given way to agencies whose heads, rules, and staff answer to the president, with the Federal Reserve the one large exception.

Module 7 Key Points

The Independent Agencies and the Regulatory State

• Independent commissions date from 1887; until 2026 their members could be removed only for cause, under Humphrey's Executor (1935).

• Trump v. Slaughter (6-3, June 29, 2026) let the president remove commissioners at will, keeping Humphrey's only for bodies without executive power.

• Several commissions now have no Democrats: the FTC runs with two Republicans and the SEC with three.

• Trump v. Cook (5-4) kept Fed Governor Lisa Cook in office on procedural grounds; a White House hearing on her is set for November 5.

• Independent regulators now send significant rules to the White House budget office, and agencies must repeal ten rules for each new one.

Module 7 Quiz

Check Your Understanding

1. What did *Humphrey's Executor* (1935) allow?

A) Congress to protect FTC members from removal without cause
B) Presidents to fire any officer
C) Courts to run agencies
D) Agencies to tax imports

2. What did *Trump v. Slaughter* hold?

A) The FTC is abolished
B) Congress must approve each removal
C) At-will removal of commissioners
D) Commissioners serve fixed terms, with no exceptions

3. Why did the Court keep Governor Lisa Cook in office?

A) The Fed is a private bank
B) She got no notice or chance to respond
C) The president lacks any power to remove a governor
D) Congress passed a law in 2026 protecting the governors of the Federal Reserve from removal

4. What does an independent commission other than the Fed still keep after 2026?

A) Statutory caps on one-party membership
B) Removal only for cause
C) Exemption from White House review of its rules
D) Its own power to tax

5. What did a federal court do about the CFPB's funding in December 2025?

A) Ordered the bureau shut down within a month
B) Moved its funding into the annual appropriations
C) Rejected the halt to its Fed funding
D) Upheld the plan to stop drawing funds from the Fed

Module 8 — The Federal Workforce

The People of the Government, and the Cuts of 2025

Recommended Reading / Reference

Reference: GAO-26-108583, *Federal Agency Workforce Changes: Update for July 2025 to January 2026* (June 2026); GAO-26-108477 on paid leave (September 2026); OPM's 2026 Schedule Policy/Career rule and the executive order of June 3, 2026 implementing it; the Congressional Research Service on the civil service

8a. The Reductions

The civilian workforce of the executive branch shrank sharply in 2025, and the two main counts measure the cut differently. By the Office of Personnel Management's (OPM's) count, about 317,000 people left in calendar 2025 and about 68,000 were hired. The Government Accountability Office (GAO), counting 22 large agencies over the thirteen months from December 2024 to January 2026, found 127,360 hires against the separations in the table below, and their workforce fell from 2,268,585 to 2,012,614, a net loss of 255,971 or 11.3%. Each department's own count is in Modules 3-6.

How people left (22 large agencies, December 2024 to January 2026)	Separations	Share
Other retirements and resignations	172,527	45.7%
Deferred resignation	128,589	34.0%
Other terminations and removals	39,848	10.5%
Early retirement because of a reduction in force or reorganization	10,243	2.7%
Termination during a probationary or trial period	6,697	1.8%
Reduction in force (RIF), the formal layoff procedure	6,331	1.7%
Resignation or retirement in lieu of involuntary action	2,235	0.6%
All other	11,252	3.0%
Total	377,722	100%

Source: GAO-26-108583 (June 17, 2026). GAO's hires include temporary employees.

The instruments were offers and attrition more than layoffs. A 'deferred resignation' offer in January 2025 paid employees through September for leaving, and about 154,000 accepted it or a later round of it, by OPM's count. Probationary employees, those in their first year or two, were fired in February 2025, and courts ordered many of them reinstated until the Supreme Court stayed one such order in April. A hiring freeze from January 2025 let departures go unreplaced, and the formal layoffs came last and were among the smallest parts, as the table shows.

The courts slowed parts of the program without reversing it. Brookings counted 26,511 occasions on which the administration fired people and then hired them back, and in September 2026 a federal judge in San Francisco ruled unlawful a plan to cut FEMA's staff by half (Module 6). By OPM's latest count the net decline from the inauguration to July 2026 was 271,363, about 12% of the workforce.

8b. Who They Are

	Figure
Where they work	About four in five outside the Washington area, in every state
Veterans	About 30% of the workforce; veterans receive preference in hiring
Pay	The General Schedule runs from grade 1 to grade 15, with the Senior Executive Service above it. Most civilians received a 1% raise for 2026, and the president's plan for 2027 freezes civilian pay while giving law-enforcement officers 3.8%

Pay: the President's alternative pay plan of August 26, 2026, which Congress can override.

8c. The Civil-Service System and Its Rewriting

The civil service was built to end the spoils system. The Pendleton Act of 1883 made merit the basis of hiring, and the Hatch Act of 1939 kept employees out of partisan campaigns. The Civil Service Reform Act of 1978 created the modern system: OPM for personnel policy, the Merit Systems Protection Board for appeals, the Senior Executive Service, and protection from removal except for cause and with due process. The changes of 2025-26 reached each part of it, from the firing of the head of the Office of Special Counsel, which protects whistleblowers, in February 2025 to a return-to-office order that ended most telework.

The largest change is a new at-will category. OPM's final rule, published in February 2026, lets the president place career positions that influence policy in a 'Schedule Policy/Career,' outside the protections against removal, and his order of June 3, 2026 placed about 8,000 employees in more than 4,800 positions there. The White House says 97% of them are at the top grade of GS-15 or above, and the administration's ceiling estimate is about 50,000. A separate order of March 2025, extended in August, removed collective-bargaining rights at agencies it deems to have national-security missions, and the share of employees in bargaining units fell from about 56% to about 38% over the year.

Accountability, or the end of a merit service? The administration's case, made by the White House and OPM's director, Scott Kupor, is that agencies must be able to remove poor performers in policy roles 'without facing extensive delays or litigation,' in the order's words. On this view, the Supreme Court's reasoning in 2020 that Congress cannot shield officials who make policy from presidential control applies to these employees too, and those moved are still hired on merit. **The challengers' case**, made in court by the unions and by whistleblower groups such as the Government Accountability Project, is that the orders exceed the president's authority and strip employees of a property right in their jobs without due process, and that they define 'policy-influencing' far more broadly than past practice.

The evidence so far favors the administration's claim of narrowness: the Agriculture Department moved 81 positions out of more than 74,000 employees. On the other side, 94% of more than 40,000 public comments opposed the rule, the positions moved include epidemiologists and physicians at the Centers for Disease Control and Prevention, and the budget office moved 137 of its 518 employees. No court had ruled on the merits and no removal from the schedule had been reported by June 2026. **The course's reading:** the schedule matters less for its present size than for the precedent, since a president can enlarge it by executive order without a new rule.

The administration says the law exempts agencies with national-security missions from bargaining, while the unions say the order punishes them for opposing the administration, a claim one district judge found 'plausible' in June 2025. The appeals courts have divided: the Ninth Circuit accepted the government's broad reading of the national-security exemption in February 2026, while the First Circuit let stand an

injunction that keeps the contract covering about 320,000 VA employees in force, and no court has ruled on the order's merits.

8d. The DOGE Case

The Department of Government Efficiency (DOGE), created by executive order on January 20, 2025 and led informally by Elon Musk until he left in May 2025, was a White House unit placed inside agencies. Its teams gained access to the Treasury's payment systems, OPM's personnel files, and Social Security's records, which the Supreme Court let it use in June 2025, and they drove the cancellation of contracts and grants, the deferred-resignation offer, and the dismantling of USAID (Module 3). OPM absorbed most of its functions in late 2025, and its temporary organization expired on July 4, 2026, as the order creating it provided.

Were the cuts worth what they cost? The administration's case, made by Kupor, is that the reductions save about $20 billion a year, that 92% of the departures were voluntary, and that the cost of paying people to leave was a one-time expense. **The critics' case**, made by the Partnership for Public Service, which calls the departures a 'forced exodus,' and by Brookings scholars, is that the departures were pushed rather than chosen and that the government is now hiring back the expertise it lost.

The evidence: GAO found that agencies paid $9.5 billion in 2025 to employees who were not working, $6.7 billion of it to those taking deferred resignation, and that some of DOGE's $110 billion in claimed savings were 'incorrect or unsupported.' The Partnership counted 20,557 hires by June 2026 into the kinds of roles that deferred-resignation takers had left. Even OPM's claimed savings are about 1% of the fiscal 2026 deficit. **The course's reading:** the cuts reshaped the government's capacity more than its budget, since the civilian payroll was never what drives the deficit (Module 11).

Module 8 Key Points

The Federal Workforce

• GAO counts a net loss of 256,000 employees, 11%, at 22 large agencies from December 2024 to January 2026.

• Most departures were retirements, resignations, and deferred resignations; formal layoffs were under 2% of separations.

• OPM claims $20 billion a year in savings, about 1% of the deficit; GAO found $9.5 billion paid in 2025 to idle employees.

• About 8,000 employees were placed in the at-will Schedule Policy/Career on June 3, 2026; the ceiling estimate is about 50,000.

• A 2025 order cut the share of employees in bargaining units from about 56% to about 38%.

Module 8 Quiz

Check Your Understanding

1. How did most people leave the 22 large agencies, by GAO's count?

A) Reductions in force
B) Firings of probationary employees
C) Early retirements offered in reorganizations
D) Ordinary retirements and resignations, then deferred resignations

2. What did the president's order of June 3, 2026 do?

A) It ended the hiring freeze.
B) It abolished the Office of Personnel Management.
C) It moved 8,000 employees to at-will jobs.
D) It restored collective bargaining at the Veterans Affairs Department.

3. What share of federal employees was in bargaining units at the end of 2025?

A) About 56%, unchanged
B) Nearly all of them
C) Under 10% after the order
D) About 38%

4. What did GAO find about DOGE's claimed savings?

A) Some were unsupported or wrong
B) Fully verified
C) Twice as large as claimed
D) They erased the year's deficit entirely

5. How large are OPM's claimed savings next to the deficit?

A) About half
B) About 1% of the fiscal 2026 deficit
C) About a quarter
D) More than the deficit

Module 9 — Congress: Structure, Leadership, and Committees

The First Branch as It Operates in the 119th Congress

Recommended Reading / Reference

Book: Robert Caro, *Master of the Senate*

Reference: The House and Senate committee rosters (119th Congress); the House Press Gallery's party breakdown; the Congressional Research Service on the legislative process; Brookings's *Vital Statistics on Congress*

9a. The Two Houses

	House of Representatives	Senate
Members	435 voting members and six non-voting delegates, apportioned by population: California has 52 seats, Texas 38, Florida 28, and six states one each	100, two per state regardless of population
Terms and the 2026 ballot	Two years; the 2026 races are in Module 18	Six years, with a third of the seats elected every two years; the 2026 races are in Module 18
Party balance, October 2026	218 Republicans, 214 Democrats, one independent who caucuses with the Republicans, and two vacancies	53 Republicans, 45 Democrats, and two independents who caucus with the Democrats
Distinctive powers	Originates revenue bills; impeaches; elects the president if no candidate wins a majority of electoral votes	Confirms appointments; consents to treaties; tries impeachments
Rules	The majority governs through the Rules Committee, debate is limited, and the Speaker controls the floor	Debate is unlimited unless cut off by cloture (9c), and most business moves by unanimous consent

Party balance: House Press Gallery (September 2, 2026) and the Senate's roster. The leaders of both houses are in the table before Module 1.

With 433 members seated, 217 is a majority, so the Republicans and Kevin Kiley of California, who left the party on March 9, 2026 but still caucuses with it, can lose only two votes on a party-line question; three defections sink it. Thirteen seats have emptied through deaths and resignations since January 2025, and the seats still vacant are in Texas and Florida. The Senate's 53 Republicans include two appointed in 2026: Alan Armstrong of Oklahoma, who took Markwayne Mullin's seat when Mullin joined the cabinet, and Darline Graham of South Carolina, appointed after the death of her brother, Lindsey Graham, in July.

9b. The Committees and Their Chairs

Committee (House / Senate)	House chair	Senate chair	Jurisdiction and 2025-26 role
Appropriations	Tom Cole (R-OK), 77	Susan Collins (R-ME), 73	The twelve spending bills, the stopgaps, and the rescission fights (Module 10)
Armed Services	Mike Rogers (R-AL), 68	Roger Wicker (R-MS), 75	The annual National Defense Authorization Act (NDAA) and oversight of the war with Iran
Ways and Means / Finance	Jason Smith (R-MO), 46	Mike Crapo (R-ID), 75	Taxes, trade, Medicare, Medicaid, and Social Security; the core of the July 2025 law
Judiciary	Jim Jordan (R-OH), 62	Chuck Grassley (R-IA)	Courts, immigration law, the Justice Department, and judicial nominations
Foreign Affairs / Foreign Relations	Brian Mast (R-FL), 46	Jim Risch (R-ID), 83	Diplomacy, foreign aid, treaties, and war-powers resolutions
Energy and Commerce / Energy and Natural Resources; Commerce	Brett Guthrie (R-KY), 62	Mike Lee (R-UT), 55; Ted Cruz (R-TX), 55	Health, energy, telecommunications, and consumer protection
Financial Services / Banking	French Hill (R-AR), 69	Tim Scott (R-SC), 61	Banks, the Fed, housing, and digital assets
Oversight / Homeland Security and Governmental Affairs	James Comer (R-KY), 54	Rand Paul (R-KY), 63	Investigations, the civil service, and the government's organization
Budget	Jodey Arrington (R-TX), 54	Ron Johnson (R-WI), 71, since July 21, 2026	The budget resolutions that open the way to reconciliation
Intelligence	Rick Crawford (R-AR), 60	Tom Cotton (R-AR), 49	The intelligence agencies and covert action
Homeland Security (House)	Andrew Garbarino (R-NY), 42	—	The Department of Homeland Security's programs
Education and Workforce / Health, Education, Labor, and Pensions	Tim Walberg (R-MI), 75	Bill Cassidy (R-LA), 69, who lost renomination (Module 18)	Schools, labor law, and public health, including the vaccine fight (Module 5)
Agriculture	G.T. Thompson (R-PA), 67	John Boozman (R-AR), 75	Farm programs, SNAP, and the national forests
Transportation and Infrastructure / Environment and Public Works	Sam Graves (R-MO), 62	Shelley Moore Capito (R-WV), 72	Highways, aviation, water, and the environmental laws
Veterans' Affairs	Mike Bost (R-IL), 65	Jerry Moran (R-KS), 72	VA's programs, staffing, and community care
Rules (House)	Virginia Foxx (R-NC), 83	—	The terms of debate for each bill, the Speaker's instrument for controlling the floor

Ages as of October 16, 2026. Chairs of the 119th Congress, which began on January 3, 2025; Grassley is in the table before Module 1.

9c. How the Senate Really Works

The Senate runs on consent and the threat of withholding it. Any senator can delay most business, and ending debate on a bill takes 60 votes under the cloture rule, so the filibuster, a rule rather than a constitutional provision, has made 60 the effective threshold for ordinary legislation since the 1970s. What passes are the exceptions: nominations have needed only a simple majority since the rule changes of 2013

and 2017, which is why every cabinet nominee could be confirmed on a party-line vote. Must-pass bills, such as appropriations, the debt limit, and the defense authorization, force a deal when their deadlines arrive.

The third exception is budget reconciliation, which lets a majority change taxes and spending under the Byrd rule, the limit that strikes any provision whose effect on the budget is merely incidental. The majority used it twice in this Congress, for the July 2025 budget law and for the Secure America Act of June 2026. The second passed the Senate 52-47 on June 5, with Lisa Murkowski the only Republican against it, and the House 214-212 on June 9.

Should the Senate end or weaken the filibuster? The case for keeping it is made by Majority Leader John Thune, who says 'there aren't anywhere close to the votes to nuke the legislative filibuster' and that the 60-vote rule has protected Republican priorities when they were in the minority, noting that all but two Democrats voted to change it in 2022. **The case for ending or bending it** is made by Senator Ron Johnson, who argues that Republicans could then pass legislation 'the public overwhelmingly supports,' and by Senator Mike Lee, who wants a 'talking filibuster' that forces opponents to hold the floor. The president has complained that the Senate 'is a place that you send things when you want them to die.'

The evidence: the 60-vote rule blocked the 2027 defense authorization from reaching the floor, 50-46, on July 14, 2026, and it was the lever in the funding lapses of fiscal 2026, when Senate Democrats withheld votes for stopgaps (Module 10). The majority went around it by reconciliation, and no vote to change the rules was held. **The course's reading:** the filibuster survives because each party expects to be in the minority again, and its practical effect is to push the majority's agenda into reconciliation and must-pass bills, where it can be written by a few leaders.

9d. The House and the Discharge Petition

The Speaker controls which bills reach the floor through the Rules Committee, and the main way around him is a discharge petition: if 218 members sign, a bill comes to the floor without his consent. Seven petitions reached 218 signatures from 2023 to January 2026, as many as in the previous four decades combined, because a few Republicans joined the Democrats on each. One forced the vote on releasing the Justice Department's files on Jeffrey Epstein, which the president signed into law in November 2025, and others were for extending the health-insurance subsidies under the Affordable Care Act and restoring federal employees' bargaining rights.

Does the petition undermine the Speaker or restore the House? Molly Reynolds of Brookings sees a chamber reclaiming its floor: 'The last time we had a Congress that had this much success with the discharge petition, it was 90 years ago.' Others read each successful petition as a rebuke of Speaker Johnson's leadership, which he denies: 'This is not a challenge to the speaker's leadership.' **The course's reading:** with a margin of two votes, the petition has become the way a few members of the majority can move bills that the president and the Speaker would rather not bring up.

9e. What Passes, and What Does Not

The 119th Congress had enacted 124 public laws by October 15, 2026. The largest were the two reconciliation laws, the appropriations that ended the funding lapses of fiscal 2026, the fiscal 2026 defense authorization, the GENIUS Act on dollar-backed stablecoins, the housing act (Module 5), and a law in September tightening sanctions on Russia and Iran, named for Lindsey Graham. Much of the rest of the agenda has been left to the executive and the courts. No fiscal 2027 appropriations bill had been enacted by

mid-October, the House passed the 2027 defense authorization 216-212 on July 22 while the Senate's version stalled, and the tariffs were imposed and struck down without a vote to authorize them.

Has Congress ceded its war powers? The war with Iran began on February 28, 2026 without a declaration or an authorization for the use of force. Every resolution to end the hostilities without one failed: 47-53 in the Senate on March 4, 212-219 in the House on March 5, and 49-50 on the Senate's seventh try on May 13, when Republicans Murkowski, Susan Collins, and Rand Paul voted yes. **The case for limiting the president** is made by Senator Jeff Merkley: 'Both sides are still engaged in hostilities. And so I don't accept that the 60-day clock is suspended.' **The case against** is made by Brian Mast, chairman of Foreign Affairs, who said a resolution effectively asked 'that the president do nothing.'

The evidence: no war-powers measure has passed either house, the $87.6 billion supplemental the administration requested for the war in June has not been enacted, and Senate Democrats have tied their support for the defense authorization to information about the war's 'cost, mission, or endgame.' **The course's reading:** Congress has kept its power over the war's money while declining to use its power over the war itself, which leaves the decision to fight with the president.

Module 9 Key Points

Congress: Structure, Leadership, and Committees

• The House stands at 218 Republicans, 214 Democrats, one independent, and two vacancies; three defections sink a party-line vote.

• The Senate is 53-45-2; two Republicans are 2026 appointees, and 35 seats are on the November 3 ballot.

• The 60-vote filibuster survived 2026; the majority passed its priorities through two reconciliation laws needing only 51 votes.

• Seven discharge petitions reached 218 signatures from 2023 to January 2026, as many as in the previous four decades.

• Every war-powers resolution on Iran failed, and Congress has neither declared war nor authorized force.

Module 9 Quiz

Check Your Understanding

1. How many Republican defections sink a party-line vote in the House?

A) It takes at least ten defections.
B) Any single Republican vote can sink one.
C) Twenty, because Kiley votes with the Democrats.
D) Three are enough.

2. Why did the Senate majority use reconciliation twice in 2025-26?

A) It avoids a vote in the House
B) The House required it
C) It needs only a simple majority
D) It allows any law to pass the Senate without debate

3. What happened to the war-powers resolutions on Iran?

A) They passed and were vetoed
B) All failed, including a 49-50 Senate vote in May
C) Congress never held a vote
D) The House passed one in March

4. How many discharge petitions reached 218 signatures from 2023 to January 2026?

A) Seven
B) One
C) Twenty-one
D) More than fifty

5. Who has chaired the Senate Budget Committee since July 2026?

A) Ron Johnson
B) Lindsey Graham
C) Jodey Arrington of Texas
D) Chuck Grassley, the president pro tempore

Module 10 — Lawmaking and the Budget Process

How a Bill and a Budget Become Law, and How They Don't

Recommended Reading / Reference

Reference: The Congressional Budget and Impoundment Control Act of 1974; the Congressional Research Service's *Introduction to the Federal Budget Process*; CBO's cost estimate of Public Law 119-21 (July 2025); GAO's decision B-338788 (September 29, 2026) and its other Impoundment Control Act decisions

10a. How a Bill Becomes Law

In the civics version, a bill is introduced in either house, referred to a committee that amends and reports it, and scheduled for the floor, in the House by the Rules Committee and in the Senate by the majority leader with unanimous consent or cloture. Once passed, it goes to the other house for the same process, the two versions are reconciled by a conference committee or by amendments sent back and forth, and the result goes to the president. He signs it, vetoes it, which two-thirds of each house can override, or lets it become law after ten days, unless Congress has adjourned, in which case it dies by pocket veto.

In the working version, most law moves in a few large vehicles a year, the appropriations, the defense authorization, and a reconciliation bill when one party holds both houses and the presidency, and much else is folded into them. The July 2025 budget law is the model: a single bill drafted by the leadership and the White House, it passed the Senate 51-50 on July 1 with the vice president breaking the tie and the House 218-214 on July 3.

10b. The Budget Process

Step	What it is	Fiscal 2026-27 in practice
The president's budget	A request, not a law, for the fiscal year that runs from October 1 to September 30; the Office of Management and Budget (OMB) prepares it	The 2027 request was submitted on April 3, 2026 (Module 3)
The budget resolution	A concurrent resolution of both houses setting totals and, if desired, instructions for a reconciliation bill	The fiscal 2026 resolution, adopted in April 2026, opened the way to the Secure America Act; the House adopted a 2027 resolution in July, and the Senate has not
Authorization	Laws that create programs and set policy, such as the defense authorization and the highway programs, without providing money	The fiscal 2026 defense authorization was enacted, the 65th in a row; the 2027 bill is stalled (Module 9), and the highway programs are extended by the stopgap (below)
Appropriation	The twelve annual bills that provide discretionary money, from Defense and Labor-HHS-Education to the Legislative Branch	For 2026, none was enacted by October 1, and the last was signed only after the lapses in 10d. For 2027, the House has passed three and the Senate none
Continuing resolution	A stopgap that extends funding at the prior year's rates	Public Law 119-103, signed on September 2, 2026 after votes of 90-6 and 370-48, funds the government through December 11, 2026

Step	What it is	Fiscal 2026-27 in practice
Mandatory spending	Programs whose spending is set by permanent law rather than by annual decisions: Social Security, Medicare, Medicaid, SNAP, and interest on the debt	Changed only by new law, as the July 2025 law did for Medicaid and SNAP (Module 11 has the amounts)
Reconciliation	A bill changing spending, revenue, or the debt limit that needs only 51 votes in the Senate, under the Byrd rule	The July 2025 law and the Secure America Act (Module 9)
The debt limit	A cap in law on federal borrowing, which Congress must raise or suspend	Raised by $5 trillion in July 2025, to $41.104 trillion; likely to be reached around May 2027, with the Treasury's 'X-date' for default about February 2028

Debt-limit projection: National Taxpayers Union Foundation (August 20, 2026), with a range of February to July 2027 for reaching the limit.

10c. The July 4, 2025 Law

Public Law 119-21, which its sponsors called the One Big Beautiful Bill Act, set the fiscal frame for the years ahead. By the Congressional Budget Office's estimate it cuts revenues by $4.5 trillion over 2025-2034, mainly by making the 2017 tax cuts permanent and adding new ones, among them deductions for tips, overtime, and seniors and a higher cap on the deduction for state and local taxes. It cuts direct spending by $1.1 trillion, most of it from Medicaid (Module 5) and SNAP (Module 4), and adds $3.4 trillion to deficits over the decade.

It also phases out the tax credits for wind and solar power and ends those for electric vehicles while keeping the credits for nuclear, geothermal, and storage, adds money for immigration enforcement (Module 6) and defense (Module 16), and raises the debt limit. Module 11 weighs its fiscal results so far.

10d. The Shutdowns of Fiscal 2026

When appropriations lapse, the Antideficiency Act forbids most spending and the affected agencies shut down. Fiscal 2026 had three lapses. The first, from October 1 to November 12, 2025, was the longest government-wide shutdown, at 43 days, and began when Senate Democrats withheld the votes for a stopgap without an extension of the enhanced subsidies for health insurance bought under the Affordable Care Act, which were to expire at the end of 2025. A four-day partial shutdown followed from January 31 to February 3, 2026, and then a lapse confined to the Department of Homeland Security ran a record 76 days, from February 14 to April 30 (Module 6).

The first lapse ended with three full-year bills, for agriculture, military construction and veterans, and the legislative branch, a stopgap for the rest to January 30, and a promise of a Senate vote on the subsidies. The Senate voted down a three-year renewal in December, and the subsidies expired. The administration used the lapse to send layoff notices to about 4,100 employees, which the November deal nullified, and the FAA cut flights when unpaid air-traffic controllers stayed home (Module 5).

Is withholding funding legitimate leverage? The Democrats' case, made by their Senate leader, Chuck Schumer, is that a stopgap without the subsidies would have let premiums rise steeply for millions of people who buy their own coverage, and that the funding deadline is the minority's only leverage over a majority that writes the bills without it. **The Republicans' case**, made by Majority Leader John Thune, is that a stopgap at existing rates should not be held hostage to a separate policy demand, and that the subsidies, enacted as temporary, could be debated on their own.

The evidence: neither lapse won the policy at stake, since the subsidies expired and the Homeland Security lapse ended with immigration enforcement funded through reconciliation instead. Meanwhile Congress has not enacted all twelve bills on time since fiscal 1997. **The course's reading:** the process is broken at both ends, with a Congress that cannot pass its spending bills on time and an executive that treats a lapse as an occasion to cut, and shutdowns have become a recurring cost that rarely changes the outcome.

10e. Impoundment and Rescissions

The Impoundment Control Act of 1974 requires the president to spend what Congress appropriates. He may propose to cancel funds, a rescission, and withhold them for 45 days of Congress's session while it decides, but if Congress does not approve, the money must be released. The administration has tested the law by freezing grants and cancelling contracts, and the Government Accountability Office (GAO), Congress's auditor, has found violations in some cases and none in others. Its findings of violation include withheld grants at the National Institutes of Health and FEMA in 2025 and, on October 7, 2026, the EPA's termination of community grants on which it had obligated more than $1.5 billion and grants at an HHS research agency.

The sharpest test is the 'pocket rescission,' a proposal sent so late in the fiscal year that the money expires before Congress's 45 days run out. The first, $4.9 billion of foreign aid in August 2025, lapsed after the Supreme Court, on its emergency docket, stayed a lower court's order to spend it, without ruling on the merits. On September 25, 2026 the White House sent a second, eleven proposals totaling $810 million in accounts expiring on September 30, the largest about $567 million for refugee assistance at HHS.

Can a president let appropriations expire this way? The case for the administration, made by Daniel Kowalski of the Heritage Foundation, is that the act 'left an opening for the president to act unilaterally within 45 days of the end of the fiscal year' and that appropriations are a ceiling rather than a floor. Spending money on services for which there is no demand, he argues, would be wasteful. **The case against** is GAO's: on September 29 it held that the act 'permits only the temporary withholding of budget authority' and that 'the President may not force the expiration of budget authority Congress has already enacted and did not rescind.' Senator Collins, the Republican who chairs Senate Appropriations, called a rescission without Congress's approval 'a clear violation of the law.'

The evidence: the accounts expired while Congress's review period was still running (Module 19), and GAO had not sued by early October, although Kowalski himself urges a suit because 'this debate will never be settled without judicial intervention.' **The course's reading:** the pocket rescission works in practice because the money expires before anyone can force it out, so it will stand as precedent until a court rules or Congress amends the act.

Module 10 Key Points

Lawmaking and the Budget Process

• Most law now moves in a few large vehicles: appropriations, the defense authorization, and reconciliation bills written by the leadership.

• Fiscal 2026 had three funding lapses, including the 43-day government-wide shutdown and a record 76-day lapse at Homeland Security.

• No fiscal 2027 appropriations bill has passed; a stopgap funds the government through December 11, 2026.

• GAO held that the September 2026 end-of-year rescissions cannot lawfully let funds lapse; Congress's review runs to at least November 9.

• The $41.1 trillion debt limit will likely be reached around May 2027, with the X-date about February 2028.

Module 10 Quiz

Check Your Understanding

1. When does the current stopgap funding run out?

A) September 30
B) December 11, 2026, under the September stopgap
C) January 30, 2027
D) March 31, 2027

2. How many funding lapses did fiscal 2026 have?

A) One
B) Two, both in 2025
C) Four, one for each quarter
D) Three

3. What did GAO conclude about the rescission proposals of September 25, 2026?

A) They were lawful
B) They were withdrawn
C) They cannot let the money lapse
D) They were approved by Congress within the 45-day review period and enacted as a rescission law

4. What is a continuing resolution?

A) A budget resolution
B) A rescission bill
C) A stopgap at prior-year rates
D) A permanent appropriation for mandatory programs

5. When is the debt limit likely to be reached?

A) In 2030
B) Late October 2026
C) Never, because the July 2025 law suspended the limit until the end of the decade
D) Around May 2027

Module 11 — The Federal Budget: Where the Money Comes From and Goes

The Numbers of a $7.4 Trillion Government

Recommended Reading / Reference

Reference: CBO, *Monthly Budget Review: Summary for Fiscal Year 2026* (October 8, 2026) and *The Budget and Economic Outlook: 2026 to 2036* (February 11, 2026); the 2026 Social Security Trustees Report; the Treasury's *Monthly Treasury Statement*

11a. Receipts

Source	Fiscal 2025	Fiscal 2026	Change	Share of 2026
Individual income taxes	$2,656 billion	$2,844 billion	+7%	52.6%
Payroll taxes for Social Security and Medicare	$1,748 billion	$1,815 billion	+4%	33.6%
Corporate income taxes	$452 billion	$382 billion	−16%	7.1%
Customs duties, net of refunds	$195 billion	$172 billion	−11%	3.2%
Excise, estate and gift taxes, Federal Reserve remittances, and fees	$183 billion	$190 billion	+3%	3.5%
Total receipts	$5,235 billion	$5,403 billion	+3%	100%

CBO, Monthly Budget Review, October 8, 2026; shares computed from CBO's figures.

Receipts in fiscal 2026 came to about 17% of gross domestic product (GDP), and individual income and payroll taxes supplied more than four-fifths of them. The two changes that stand out both trace to 2025-26 policy. Corporate receipts fell, a drop the center-right American Action Forum ties to the 2025 law's faster write-offs for business investment. Customs duties fell even though new tariffs remained in force, because the Treasury refunded about $130 billion of the emergency tariffs the Supreme Court struck down (Module 12).

11b. Outlays

Category	Fiscal 2025	Fiscal 2026	Change	Share of 2026
Social Security	$1,569 billion	$1,654 billion	+5%	22.4%
Medicare, net of premiums	$992 billion	$1,069 billion	+8%	14.5%
Medicaid	$668 billion	$723 billion	+8%	9.8%
Net interest on the public debt	$1,028 billion	$1,143 billion	+11%	15.5%
Defense Department, military	$868 billion	$916 billion	+5%	12.4%
Veterans Affairs	$377 billion	$416 billion	+10%	5.6%
Food and nutrition (SNAP and child nutrition)	$148 billion	$137 billion	−8%	1.9%
Education	$35 billion	$75 billion	—	1.0%
Housing and Urban Development	$51 billion	$68 billion	+35%	0.9%
Everything else	$1,274 billion	$1,195 billion	−6%	16.2%
Total outlays	$7,010 billion	$7,396 billion	+6%	100%

CBO, Monthly Budget Review, October 8, 2026. Education's 2025 figure was depressed by a $131 billion downward revision of student-loan costs under the 2025 law. The defense line excludes the Energy Department's nuclear weapons.

Outlays came to about 23% of GDP, and the shape of the money explains much of American politics. Social Security, Medicare, Medicaid, and net interest took 62% of it, and the first three are paid under permanent law to everyone who qualifies (Module 10). Net interest is now the second-largest item, behind only Social Security, because the debt is larger and long-term rates are higher.

The operations of the departments, from the FBI to the national parks to the National Institutes of Health, sit inside the smaller lines and the 'everything else,' and that is where the 2025-26 cuts, the shutdowns, and the workforce reductions fell. Even eliminating every non-defense program that Congress funds each year would not close the deficit.

11c. Deficits and Debt

Year	Deficit	Deficit, share of GDP	Debt held by the public, share of GDP	Context
2000	Surplus of $0.24 trillion	+2.3%	33%	The last surpluses
2009	$1.41 trillion	9.8%	52%	The financial crisis
2019	$0.98 trillion	4.6%	79%	Before the pandemic
2020	$3.1 trillion	About 15%	About 100%	The pandemic
2023	$1.70 trillion	6.2%	97%	Rates rise
2025	$1.78 trillion	5.8%	99%	The July 2025 law enacted
2026	$1.99 trillion	6.2%	About 100%	Tariff refunds; rising interest
2030 (projected)	—	—	108%	Debt passes the record of 106% set in 1946
2036 (projected)	$3.1 trillion	6.7%	120%	Net interest $2.1 trillion, 4.6% of GDP

CBO's fiscal-year figures; projections from CBO's February 2026 outlook, its latest baseline. Debt held by the public excludes the Treasury securities held by federal trust funds.

The fiscal 2026 deficit was the third-largest in dollars, after 2020 and 2021, and about $140 billion more than CBO projected in February. Debt held by the public reached $32.4 trillion, and gross federal debt, which includes the Treasury securities held by the trust funds, passed $40 trillion on August 18, 2026. Deficits near 6% of GDP had been seen outside wars and recessions only in recent years, and CBO projects them to continue as the population ages and interest compounds.

The nearest fixed deadline in the long-term outlook is Social Security's. The 2026 Trustees Report projects that the retirement trust fund will exhaust its reserves in the fourth quarter of 2032, a year earlier than the previous report projected. Benefits would then be cut automatically to what incoming taxes can pay, by about 22% by press accounts of the report and by 28% on average in CBO's projection.

What did the 2025-26 policies do to the deficit? The critics' case, made by budget watchdogs such as the Committee for a Responsible Federal Budget and drawing on CBO's estimates, is that the 2025 law widens deficits over the decade (Module 10) and that the revenue meant to offset it has proved fragile. CBO's February baseline counted on tariffs to cut deficits by $3.0 trillion over the decade, before the Court struck down the largest of them. **The law's supporters** argue that the tax cuts and deregulation will raise growth and revenue over time, and they can point to receipts that still rose in fiscal 2026, led by individual income taxes.

The evidence so far: revenue grew, but more slowly than spending, the deficit rose by $218 billion and exceeded CBO's projection, corporate receipts fell, and the tariff revenue shrank after the ruling. **The course's reading:** the first full year of the 2025-26 policies did not narrow the deficit, which widened mostly because benefit programs and interest grew, and growth would have to run well above CBO's projections to change that.

11d. The Budget Worked: What a Household's Taxes Buy

Worked example — A $10,000 Tax Bill

A household paying $10,000 in federal taxes in fiscal 2026 funds the government in the same proportions as the whole. About $2,240 goes to Social Security, $1,450 to Medicare, $980 to Medicaid, and $1,550 to interest on the debt. The military gets $1,240, veterans $560, SNAP and child nutrition $190, the Education Department $100, and housing programs $90, and about $1,600 goes to everything else, which runs from the courts and the FBI to science and the parks. The household also borrows: because outlays were 1.37 times receipts, its $10,000 buys about $13,700 of spending, and the $3,700 difference is added to the debt. The arithmetic of politics follows. The workforce cuts' claimed savings (Module 8) come to about $27 of the $10,000, and closing the Education Department and all its programs would save about $100, while the four items that take $6,220, Social Security, Medicare, Medicaid, and interest, are the ones neither party campaigns on cutting.

Module 11 Key Points

The Federal Budget: Where the Money Comes From and Goes

• Fiscal 2026 receipts were $5.40 trillion, more than half from individual income taxes; corporate receipts fell 16%.

• Outlays were $7.40 trillion; Social Security, Medicare, Medicaid, and net interest made up 62% of them.

• Net interest of $1.14 trillion is now the second-largest item, behind only Social Security.

• The deficit was $1.99 trillion, 6.2% of GDP; CBO projects debt held by the public at 120% of GDP by 2036.

• Social Security's retirement fund exhausts its reserves in late 2032 under the 2026 Trustees Report.

Module 11 Quiz

Check Your Understanding

1. What was the deficit in fiscal 2026?

A) $1.99 trillion, 6.2% of GDP, the third-largest in dollars after 2020 and 2021
B) $850 billion
C) $1.2 trillion
D) About $3 trillion

2. Which item became the second-largest in federal spending?

A) Medicare passed Social Security.
B) Net interest did.
C) Defense spending passed Medicare.
D) Medicaid moved past interest and defense.

3. How did corporate tax receipts change in fiscal 2026?

A) They fell 16%.
B) They rose by about a third.
C) They were flat at about $450 billion.
D) They doubled after the tariff refunds.

4. When does Social Security's retirement trust fund exhaust its reserves, by the 2026 Trustees Report?

A) Around 2040
B) In the fourth quarter of 2032, a year earlier than projected the year before
C) In 2035
D) It already has

5. Of each $10,000 in federal taxes, about how much goes to interest?

A) About $150
B) Roughly $4,000
C) About $1,550
D) Nearly half of it

Module 12 — The Judiciary

The Courts, and the Term That Tested the Presidency

Recommended Reading / Reference

Book: Alexander Bickel, *The Least Dangerous Branch*

Reference: The Supreme Court's opinions of the October 2025 term (supremecourt.gov); *Learning Resources, Inc. v. Trump* (February 20, 2026); SCOTUSblog's statistics on the term and its emergency docket (October 13, 2026); Ballotpedia's count of federal judicial appointments

12a. The Structure

Court	Number	Jurisdiction and 2025-26
Supreme Court	One, with nine justices serving for life	Final appeals and an emergency docket of applications to pause lower-court orders. In its October 2025 term it heard 58 arguments and issued 67 decisions, and the substantive emergency applications fell from 49 to 36
Courts of appeals	13 circuits: eleven regional, the District of Columbia, and the Federal Circuit	Appeals from the district courts and the agencies; the Federal Circuit hears trade and patent cases and ruled against the emergency tariffs before the Supreme Court did
District courts	94	Trials, and the courts where the hundreds of suits against the administration's actions began
Specialized courts	The Court of International Trade, the Court of Federal Claims, the Tax Court, and the Foreign Intelligence Surveillance Court, among others	The trade court, where suits over emergency tariffs belong, struck them down first, in May 2025

Term statistics: SCOTUSblog. 'Article III' judges, named for the article of the Constitution that creates them, serve for life; the judges of the Tax Court and some other specialized courts serve fixed terms.

12b. The Justices

Justice	Age	Appointed by, year	Senate vote	2025-26
Clarence Thomas	78	George H.W. Bush, 1991	52-48	The longest-serving justice; dissented in the tariff, Fed, and citizenship cases
Samuel Alito	76	George W. Bush, 2006	58-42	Wrote the Voting Rights Act and temporary-protected-status decisions
Sonia Sotomayor	72	Obama, 2009	68-31	Wrote the principal dissent in the removal case (Module 7)
Elena Kagan	66	Obama, 2010	63-37	Wrote the dissents in the Voting Rights Act and protected-status cases
Neil Gorsuch	59	Trump, 2017	54-45	Joined the tariff majority; dissented in the citizenship and Fed cases
Brett Kavanaugh	61	Trump, 2018	50-48	Wrote the tariff dissent and the transgender-athletes decision; joined the Fed majority
Amy Coney Barrett	54	Trump, 2020	52-48	Joined the tariff and citizenship majorities; dissented in the Fed case

Justice	Age	Appointed by, year	Senate vote	2025-26
Ketanji Brown Jackson	56	Biden, 2022	53-47	Noted the most dissents on the emergency docket, 15

Ages as of October 16, 2026. Chief Justice John Roberts is in the table before Module 1; he wrote the opinions in the tariff, removal, Fed, and citizenship cases.

12c. The 2025-26 Term

Case	Decided	Vote	Holding
Learning Resources v. Trump	Feb 20, 2026	6-3	The emergency-powers law does not authorize tariffs (12d)
Louisiana v. Callais	Apr 29, 2026	6-3	Section 2 of the Voting Rights Act did not require Louisiana's second majority-Black district, which was an unconstitutional racial gerrymander (Module 18)
Mullin v. Doe	June 25, 2026	6-3	The law on temporary protected status bars courts from hearing most challenges to its termination, clearing the way to end it for Haitians and Syrians
Trump v. Slaughter and *Trump v. Cook*	June 29, 2026	6-3; 5-4	The president may remove commissioners at will, but not, on this record, a Fed governor (Module 7)
Trump v. Barbara	June 30, 2026	6-3	The order denying citizenship to children born in the United States to parents without lasting legal status is unlawful
West Virginia v. B.P.J. and *Little v. Hecox*	June 30, 2026	6-3	States may bar transgender athletes from girls' and women's sports

The emergency orders on the Education Department's layoffs (Module 6), the pocket rescission (Module 10), and the Guard in Illinois (Module 14) are in their modules.

The term's largest cases were about the presidency, and the Court divided them. The president won the commissioners' removal case and the protected-status case and lost the Fed, tariff, and citizenship cases. In *Barbara* only five justices, Roberts, Barrett, and the three liberals, joined the constitutional holding, while Kavanaugh would have decided it on the citizenship statute alone. The president vowed to seek a rehearing but filed nothing before the deadline passed on July 28.

Did the Court police the presidency or defer to it? On the emergency docket the administration won relief in 5 of the 9 substantive applications the Court resolved in 2025-26, against 19 of 21 the year before. **Those who see deference** point to the cases it won, including the order letting it screen voters against its citizenship database, whose majority wrote that the lower court had blocked 'the program it believes is best suited to the task' (Module 14). **Those who see limits** point to the cases it lost, among them the Illinois Guard case and the order keeping the Postal Service's mail-ballot rule from taking effect for the midterms, both in Module 14.

The evidence: the justices disagreed publicly on 61% of the substantive applications, and in 20 of the 22 with a noted dissent, every dissenter was appointed by a president of the same party, while Justice Barrett noted none. **The course's reading:** the Court has given the president more control over the executive branch while holding the line on powers the Constitution assigns to Congress or settles in its text, and its emergency orders have split largely along the appointing president's party.

12d. The Tariff Case

In 2025 the president imposed tariffs of 10% to 50% on imports from nearly every trading partner under the International Emergency Economic Powers Act (IEEPA) of 1977, which lets a president 'regulate … importation' during a declared national emergency. Importers and twelve states sued, and the trade court and the Federal Circuit ruled against the tariffs. The Supreme Court affirmed: Roberts wrote for Gorsuch, Barrett, and the three liberals that IEEPA 'does not authorize the President to impose tariffs,' a power that belongs to Congress as part of its power to tax.

Can an emergency law be read to authorize taxation? The government's case, which Justice Kavanaugh's dissent for himself, Thomas, and Alito accepted, is that the power to 'regulate … importation' plainly includes tariffs, which presidents have long used as tools of foreign policy, and that the Court's doctrine requiring clear authorization for major questions should not reach foreign affairs. **The importers' case**, which the majority accepted, is that the statute never mentions tariffs or duties, that the Constitution gives the taxing power to Congress, and that Congress grants tariff powers explicitly and with limits when it means to.

The evidence of what followed: the Court did not address refunds, which Kavanaugh's dissent objected to, but the Treasury refunded much of what importers had paid (Module 11). The president rebuilt the tariffs within weeks on other statutes, the national-security investigations under Section 232 (Module 4), the unfair-trade provisions of Section 301, and a temporary 10% global tariff under Section 122, which caps such tariffs at 15% and 150 days. That tariff, in effect from February 24 to July 24, 2026, was itself held unlawful by the trade court on May 7 in a suit by importers and states (Module 14). **The course's reading:** the ruling marked a limit on delegated power where the power is taxation, but it left the president other tariff statutes to use, so the tariffs continue on narrower legal ground.

12e. Appointments and the Next Term

Federal judges are appointed by the president with the Senate's consent, which a simple majority can now give (Module 9). Trump's first term confirmed 234 judges and Biden's 235, while the second term had confirmed 56 by October 1, 2026, ten of them to appeals courts, the fewest appellate appointments of any president at that point since Clinton. The administration has complied with the Supreme Court's final judgments, so the question of what would happen if it did not has stayed hypothetical. The conflict with lower courts has been sharper: the president called in 2025 for the impeachment of a judge who ruled against him, and that judge found probable cause to hold officials in contempt over deportation flights.

The October 2026 term opened on October 5 with fewer cases involving the administration than the last. Among them are challenges to bans on AR-15 rifles, Arizona's requirement of proof of citizenship to register to vote, and the deportation of migrants to countries other than their own; the argument dates are in Module 19. The two oldest justices, Thomas and Alito, have given no sign of retiring, and Alito said on October 6, 'I intend to stick around through this term.'

Module 12 Key Points

The Judiciary

• The second term had 56 Article III judges confirmed by October 1, 2026, ten of them to appeals courts.

• Learning Resources (6-3, February 20, 2026) held that the emergency-powers law does not authorize tariffs.

• Trump v. Barbara (June 30, 2026) struck the birthright-citizenship order; five justices joined the constitutional holding.

• The administration won emergency relief in 5 of 9 applications in 2025-26, down from 19 of 21 the year before.

• Most noted emergency dissents split by the appointing president's party; Alito says he will stay through this term.

Module 12 Quiz

Check Your Understanding

1. What did *Learning Resources v. Trump* hold?

A) The tariffs were lawful
B) Tariffs need a treaty
C) The president may impose any tariff he declares necessary for national security under any statute
D) IEEPA does not authorize tariffs

2. Which justices joined the constitutional holding in *Trump v. Barbara*?

A) All nine justices
B) Roberts, Barrett, and the three liberal justices
C) The six conservatives
D) Kavanaugh alone, on statutory grounds

3. How often did the administration win emergency relief in 2025-26?

A) 5 of 9 times
B) Once
C) 19 of 21 times
D) Every time it asked

4. How many Article III judges had the second term appointed by October 1, 2026?

A) 234
B) About 120
C) 56
D) More than 200

5. What did Justice Alito say about retiring in October 2026?

A) He retired
B) He will retire in June
C) He announced his retirement effective upon the confirmation of a successor after the midterms
D) He will stay through this term

Module 13 — Federalism I: How Washington and the States Divide Power

The Constitutional and Fiscal Machinery of Federal-State Relations

Recommended Reading / Reference

Reference: The Congressional Research Service's *Federal Grants to State and Local Governments* (R40638, June 2025); the Agriculture Department's SNAP payment error rates for fiscal 2025 (June 24, 2026); the Medicaid work-requirement rule of June 2026; *NFIB v. Sebelius* (2012) on the spending power

13a. The Constitutional Division

Federal (enumerated)	State (reserved)	Shared (concurrent)	Federal instruments over the states
Defense and war; foreign affairs and treaties; immigration and naturalization; currency; interstate and foreign commerce; patents; bankruptcy; the federal courts; the census	The running of elections; police and most criminal law; schools; professional licensing; family law; property and contracts; land use; the National Guard until it is federalized; public health	Taxation; courts; roads; environmental regulation; health programs such as Medicaid; welfare; disaster response	Preemption under the Supremacy Clause; conditions on federal money; the commerce clause; the Fourteenth Amendment's guarantees against the states; federalizing the Guard

The Constitution gives the federal government enumerated powers and leaves the rest to the states, and the practical division in the table above leaves the states the things that touch most people most days. Over two centuries the federal side has grown through three doors. The commerce clause reached nearly any economic activity by the 1940s, and the Supreme Court has trimmed it at the edges since 1995. The spending power lets Congress attach conditions to grants, as when it tied highway money to a drinking age of 21, so long as a condition is not, in the Court's word in 2012, 'coercive,' the ruling that made Medicaid's expansion optional for the states.

The third door is preemption, under which federal law displaces state law wherever the two conflict. The states' main shield runs the other way: under the anti-commandeering doctrine, Washington may not order state officials to carry out federal law, which is why it can withhold money from 'sanctuary' jurisdictions only within limits but cannot conscript their police (Module 14). The Fourteenth Amendment gives the federal courts authority over how the states treat persons, and the militia clauses let the president federalize the states' Guard units, and both doors were tested in 2025-26.

13b. The Fiscal Machinery: Grants to States

The federal government does not run most domestic programs; it pays states to run them. Federal grants to state and local governments came to $1.08 trillion in fiscal 2023 and an estimated $1.11 trillion in 2024, 16% of federal outlays, through about 1,200 programs, and Medicaid alone accounted for 57% of the money. Federal money supplies about a quarter of all state and local revenue, 26.6% in fiscal 2022, and more than a third of state governments' revenue. The strings attached to that money, from eligibility and matching rules to reporting and civil-rights compliance, are the working constitution of the relationship.

Program	Federal share	What the states do	2025-26
Medicaid and the Children's Health Insurance Program	At least half of costs, more in poorer states, and 90% for adults covered by the 2010 expansion	Administer it, set benefits within federal rules, and pay their share	The July 2025 law's cuts and work requirements (Module 5), which Nebraska began on May 1, 2026
SNAP	All benefits through fiscal 2027, and a reduced share of administrative costs (Module 4)	Determine eligibility and issue benefits	A share of benefits tied to each state's error rate (below)
Highways and transit	About 80% of highway project costs	Own, build, and maintain the roads	Programs extended under the stopgap (Module 10)
Education	A small share of school budgets, through Title I, special-education, and school-meal grants	Run the schools	Programs moved among departments (Module 6)
Disaster relief	At least 75% of eligible public costs after a federal declaration	Respond, and request declarations	The FEMA review (Module 6) and the approval rates by party (Module 14)

Grant totals and shares: Congressional Research Service, R40638 (June 2025). The federal share of Medicaid's regular costs is set each year by a formula based on state income.

The July 2025 law makes the states pay part of SNAP's benefits for the first time. From October 2027 each state will pay a share of benefits set by its payment error rate, the share of benefits paid in the wrong amount: nothing below 6%, 5% at 6-8%, 10% at 8-10%, and 15% at 10% or more, though states with the highest rates may delay as late as fiscal 2030. The national rate for fiscal 2025 was 10.62%, about $10.1 billion of improper payments, and when the rates were published in June 2026, 13 states moved down at least one bracket and 10 moved up. Florida expects to pay $51 million more for administration in fiscal 2027 and about $1 billion a year in benefits if its rate holds, and New York's comptroller puts his state's cost at up to $2.2 billion a year.

Do the cost shifts promote accountability or shift burdens the states cannot carry? The administration's case is that the states run SNAP and should share the cost of their mistakes: 'These payment error rates are further proof that state accountability is severely lacking in SNAP,' Agriculture Secretary Rollins said in June. **The states' and advocates' case** is that the errors reflect old systems rather than fraud. 'Higher error rates usually signal lack of technology, training, and staffing. It's not about integrity. It's not about fraud,' said Melissa Wolf of the American Association of SNAP Directors, and some states may weigh, in one advocate's words, 'whether or not they can keep this.'

The evidence cuts both ways. Some states cut their error rates sharply once money was at stake, New Jersey by more than seven points, while governors in twelve states proposed changes to Medicaid for fiscal 2027 as their budgets tightened, and CBO projects that the work requirement alone will leave about 3 million fewer people covered. **The course's reading:** the cost shifts have already improved some states' accuracy, but they arrive in 2027-28 together with the Medicaid changes, so states with high error rates and thin budgets will face pressure to cut eligibility or benefits.

13c. Mandates, Waivers, and Who Delivers

Two further instruments shape the relationship. Unfunded mandates are federal requirements the states must meet at their own expense, such as the federal identification standards for driver's licenses that took full effect in May 2025, and a 1995 law requires Congress to estimate their cost but not to pay it. Waivers let Washington exempt a state from a program's rules, as Medicaid's Section 1115 waivers do, so that the same statute works differently from state to state. And the programs Washington funds are delivered mostly by people it does not employ, since state and local employees far outnumber federal civilians (Module 15).

Module 13 Key Points

Federalism I: How Washington and the States Divide Power

• Federal grants to states run about $1.1 trillion a year, a quarter of state and local revenue; Medicaid is over half.

• Federal power grew through commerce, conditional spending, and preemption; Washington cannot commandeer state officials.

• From October 2027 states pay up to 15% of SNAP benefits, depending on error rates; the national rate was 10.62%.

• Medicaid work requirements must start by January 1, 2027; CBO projects about 3 million fewer people covered as a result.

• Unfunded mandates and waivers let the same federal law work differently from state to state.

Module 13 Quiz

Check Your Understanding

1. What was the national SNAP payment error rate for fiscal 2025?

A) About 2%
B) Roughly 25%
C) 10.62%
D) About 1%, the lowest since the program began in 1964, after new verification rules

2. What limits Washington's power to attach conditions to grants?

A) Grants cannot carry conditions.
B) A condition may not be so coercive that states cannot refuse.
C) The states must approve each condition.
D) Congress may attach any condition it likes to any grant it makes.

3. Who pays SNAP benefits through fiscal 2027?

A) Washington pays all of them.
B) States do.
C) States and Washington split them evenly.
D) Each state pays a share set by its error rate.

4. What share of state and local revenue comes from federal funds?

A) About 5%
B) More than half
C) About 90%
D) About a quarter, 26.6% in fiscal 2022

5. What does the anti-commandeering doctrine forbid?

A) Federal grants
B) Any federal law that preempts state law
C) Forcing states to enforce federal law
D) States suing the federal government in its own courts

Module 14 — Federalism II: The 2025-26 Flashpoints

The Fights That Defined the Relationship

Recommended Reading / Reference

Reference: *Trump v. Illinois* (December 23, 2025); the executive order of March 31, 2026 on citizenship verification in federal elections and *Trump v. California* (August 24, 2026); CBO's letter on the cost of troop deployments to American cities (January 28, 2026); the Congressional Research Service on the Insurrection Act and the Posse Comitatus Act

14a. The Flashpoints

Flashpoint	What happened	Federal instrument	Status, October 2026
Immigration enforcement and 'sanctuary' jurisdictions	Interior enforcement at record scale (Module 6); a Justice Department list of about three dozen sanctuary jurisdictions in August 2025; the president said in January 2026 that 'we're not making any payment to anybody that supports sanctuary cities'	Federal supremacy over immigration; conditions on grants	Courts ruled against the administration in nearly every funding case through January 2026; states and cities cannot be made to enforce federal law (Module 13)
The National Guard in American cities	Deployments to Los Angeles, Washington, Chicago, and Portland in 2025 (14b)	The Guard-federalization statute; the president's command of the District of Columbia's Guard	Withdrawn from Los Angeles, Chicago, and Portland; continuing in Washington
Elections	Executive orders on voter citizenship and mail ballots (14c)	Executive orders; DHS's citizenship database; the Justice Department's demands for voter rolls	Mixed rulings; the states run the midterms under their own rules
Disasters	By an Associated Press analysis in July 2026, the president approved about 80% of disaster requests from Republican governors and about 60% from Democratic ones; 25 states and the District sued that month over election-security conditions on FEMA's counterterrorism grants	Disaster declarations under the Stafford Act; grant conditions	FEMA's future pending in Congress (Module 6)
Public health	By January 20, 2026, 28 jurisdictions said they would not follow the CDC's revised childhood schedule for at least some vaccines, most of them following the American Academy of Pediatrics; regional alliances formed in the West and the Northeast; Florida proposed in August 2026 to drop four school vaccine requirements set by rule rather than statute	The federal schedule's advisory status; public-health grants	A court has blocked the revised schedule (Module 5)
Energy and environment	Congress revoked California's waivers for its own vehicle-emission standards in 2025 under the Congressional Review Act; stop-work orders on offshore wind projects off several states	Preemption; federal leasing and permits	California and ten other states sued over the waivers; the greenhouse-gas repeal is in court (Module 6)

Flashpoint	What happened	Federal instrument	Status, October 2026
Tariffs	Twenty-four states sued over the 10% global tariff imposed after the Supreme Court's ruling (Module 12)	Federal trade power	The trade court granted relief to the importers and to Washington State and dismissed the other states for lack of standing

The flashpoints follow the pattern of the Supreme Court's rulings. Washington has prevailed where it acted within its own powers, in immigration operations and the Medicaid and SNAP changes Congress enacted, and its command of the Guard in the capital stands for now. It has mostly lost where it tried to commandeer the states or tie their money to unrelated policy, as with the sanctuary-funding cutoffs, the proof-of-citizenship order of 2025, the mail-ballot rule, and the attempts to federalize a state's Guard over its governor's objection. The states' instruments are the ones the design gave them: their own laws, their control of elections and police, interstate alliances such as the vaccine compacts, their budgets, and above all their attorneys general.

Are the states' lawsuits a check on overreach or partisan 'lawfare'? Democratic attorneys general filed 71 lawsuits against the administration in its first year and had won 40 of the 51 resolved by the count of a progressive group that tracks them, and California's attorney general, Rob Bonta, filed his 100th on October 15, 2026, against 123 over Trump's entire first term. **Their case** is that no other institution can respond at the speed and scale of the administration's actions; Oregon's attorney general, Dan Rayfield, calls the coalition 'a working partnership.' **The case against** is made by Republicans such as Alaska's attorney general, Stephen Cox, who argues that the progressive states' suits are 'as much of a threat to state sovereignty as the federal government.'

The evidence is that the tactic is bipartisan: Texas's attorney general, Ken Paxton, sued the Biden administration 106 times, and Greg Abbott, as Texas's attorney general, sued the Obama administration 31 times. **The course's reading:** multistate litigation has become the states' main check on the federal executive, used by each party's attorneys general against presidents of the other, and the courts, not Congress, have become the arena where federalism is settled.

14b. The Guard Question

The deployments test a long-standing American rule about force at home, that the military does not police Americans. The Posse Comitatus Act of 1878 bars federal troops from civilian law enforcement unless the Constitution or a statute allows it, and the Insurrection Act of 1807 is the statute that allows it, last invoked in 1992. A separate law lets the president federalize a state's Guard when he is 'unable with the regular forces to execute the laws.' He used it in June 2025 to federalize 4,000 California Guard members over Governor Newsom's objection and sent 700 Marines to Los Angeles during protests against immigration raids. In August he deployed the District of Columbia's Guard, which he commands directly, along with other states' Guard units, in Washington, and in the autumn he tried to send troops to Chicago and Portland.

The courts drew the line in stages. A district judge found in September 2025 that the Los Angeles deployment had violated the Posse Comitatus Act, another found no 'rebellion' in Portland, and an appeals court ruled in Illinois that 'political opposition is not rebellion.' On December 23, 2025 the Supreme Court refused, 6-3, to let the deployment in Illinois proceed, holding that the statute's 'regular forces' means the regular military and that the government 'failed to identify a source of authority that would allow the military to execute the laws in Illinois.' The troops left Los Angeles, Portland, and Chicago by January 2026. In Minneapolis that month the president threatened to invoke the Insurrection Act, and about 1,500 active-duty soldiers were reportedly told to prepare, but he backed off and the act has not been invoked.

Washington is the exception. About 2,900 troops remained there in mid-October, down from a peak of about 5,000 in the summer of 2026, with the mission extended to January 2029. A district judge ruled in November 2025 that the president cannot use the capital's Guard for crime control or bring in other states' troops, but that ruling is stayed, and an appeals panel heard the merits on October 14, 2026. CBO put the cost of the city deployments at $496 million through December 2025, $55 million a month of it in Washington at the end of the year.

May the president send the Guard into a city over a governor's objection? The administration's case is that protecting federal officers and property from violent protest is a federal function, that the president's judgment deserves deference, and, as a Justice Department lawyer told the appeals court in October, that his only limit is to call out the Guard 'in aid of the civil authorities.' Republican attorneys general from 26 states backed the Los Angeles deployment, and Justices Alito, Thomas, and Gorsuch would have let the Illinois deployment proceed. **The states' case**, made by Governors Newsom and JB Pritzker of Illinois and their attorneys general, is that using a state's Guard for crime control over its governor's objection commandeers the state's militia. Nineteen Democratic governors called it 'an alarming abuse of power' in August 2025, and Oklahoma's Republican governor, Kevin Stitt, objected to sending troops into states that do not want them.

The evidence: the trial courts that reached the merits outside Washington ruled against the deployments, the appeals courts divided, and the Supreme Court's one ruling held that the statute requires that the regular military could not do the job, which in turn requires a lawful authority for it to act at home. **The course's reading:** outside the capital the Court has drawn a line that the president can cross only by invoking the Insurrection Act, which raises the political cost of doing so, while in Washington, where he commands the Guard directly, the question turns on the appeals court.

14c. Who Runs Federal Elections?

The Constitution lets the states set the 'times, places and manner' of congressional elections, subject to laws Congress passes, and gives the president no role of his own. An executive order of March 2025 requiring proof of citizenship to register was largely blocked in court. A second order, of March 31, 2026, directed DHS to compile 'state citizenship lists' and the Postal Service to deliver mail ballots only to voters on eligibility lists. Officials of 23 states and the District sued, and 12 Republican-led states joined the administration's side.

The Supreme Court split the difference. On August 24 it stayed the states' injunction, 6-3, on the ground that the suit was premature, but on September 14 it refused to let the Postal Service's rule take effect for the midterms. On September 25 it let DHS keep using its revamped citizenship database, the Systematic Alien Verification for Entitlements (SAVE) program, to screen voter rolls, through which at least 67 million registrations have been run. On October 9 a district judge in Washington vacated the Justice Department's program of collecting states' unredacted voter lists, finding no statute that authorizes it, after at least 18 states had handed theirs over.

The administration's case is that the president may direct federal agencies to keep noncitizens from voting in federal elections; the White House called the August ruling 'a major win for the security of American elections.' **The states' case** is that the Constitution leaves the rules of eligibility to them, and Justice Jackson, dissenting in the SAVE case, wrote that 'the harm caused by burdening or disenfranchising even a few lawful voters outweighs the nonexistent harm.' **The evidence:** the midterms will be run under the states' own rules for mail ballots, while federal screening of the rolls continues. **The course's reading:** the courts have kept the president from changing how the states run the 2026 vote, but they have let federal agencies press the states on who is on the rolls, the ground on which this fight continues after November.

Module 14 Key Points

Federalism II: The 2025-26 Flashpoints

• Washington prevailed where it acted within its own powers and mostly lost where it tried to commandeer states or attach unrelated conditions.

• Trump v. Illinois (6-3, December 2025) kept the Guard out of Chicago; of the 2025 deployments, troops remain only in Washington, about 2,900.

• The Insurrection Act was threatened over Minneapolis in January 2026 but has not been invoked since 1992.

• The Court let DHS screen voter rolls with its citizenship database but blocked the Postal Service's mail-ballot rule for the midterms.

• Democratic attorneys general filed 71 suits in the first year; California alone reached 100 by October 15, 2026.

Module 14 Quiz

Check Your Understanding

1. What did the Supreme Court decide in *Trump v. Illinois* in December 2025?

A) It approved deployment to Chicago and Portland
B) It held that the Insurrection Act had been validly invoked
C) It ordered troops withdrawn from Washington, D.C., by January
D) It kept the Illinois deployment blocked

2. Where do Guard troops the president sent into a city in 2025 remain in October 2026?

A) Chicago
B) Washington, D.C., where about 2,900 remain
C) Portland
D) Los Angeles

3. What did the Court allow on September 25, 2026?

A) Screening voters with SAVE
B) Mail-ballot limits
C) A new census
D) Federal control of all voter rolls

4. How many suits had California filed against the administration by October 15, 2026?

A) 12
B) About 1,000
C) 100
D) Only a handful, since most of California's challenges were filed by private groups instead

5. What share of Republican governors' disaster requests did the president approve, by the Associated Press's analysis?

A) About 80%
B) All of them
C) Under a third of them
D) About 60%, the same as for Democrats

Module 15 — State and Local Government

The Governments That Deliver Most Services

Recommended Reading / Reference

Reference: The Census Bureau's *Government Organization Summary Report: 2022 & 2025* (May 2026) and *Annual Survey of Public Employment & Payroll* (April 2026); NASBO's *Fiscal Survey of States* (spring 2026); the National Conference of State Legislatures' 2026 election overview (September 14, 2026)

15a. The Structure

Level	Number, 2025	What it does
States	50	Each has a governor, a legislature (with one house only in Nebraska), courts, and its own constitution
Counties	3,031	Run elections in most states, along with jails, courts, and public health
Municipalities (cities, towns, villages)	19,489	Police, fire, water, roads, and zoning
Townships	16,184	Local services in New England and the Midwest
Independent school districts	12,535	Public schools, plus systems run by cities and counties that the Census does not count separately
Special districts	40,199	Water, transit, ports, fire protection, hospitals, and airports; the fastest-growing category
Tribal governments	575 federally recognized	Sovereign within limits set by Congress; the Lumbee of North Carolina became the 575th in December 2025
Total local governments	91,438, up from 90,837 in 2022	Plus the 50 states

Census Bureau, Government Organization Summary Report (May 21, 2026).

State and local governments deliver what most people experience as government: schools, police and fire, roads, water, courts, prisons, universities, licenses, and elections. They employed 20.3 million people in March 2025, 5.7 million in state governments and 14.7 million in local ones, about ten times the federal civilian workforce. Their general revenue was $4.63 trillion in fiscal 2023, including the federal aid described in Module 13. Each state is a government in full, and each differs: Texas's legislature meets for 140 days every two years while California's sits year-round, nine states have no broad income tax, and Louisiana's civil law descends from French and Spanish codes.

15b. The Largest States

State	Population, millions	Governor, age, in office since	General fund, fiscal 2026	2026
California	39.4	Gavin Newsom (D), 59, Jan 2019	$237.7 billion	Governorship open; Newsom is term-limited
Texas	31.7	Greg Abbott (R), 68, Jan 2015	$117.4 billion	Governorship on the ballot
Florida	23.5	Ron DeSantis (R), 48, Jan 2019	$56.4 billion	Governorship open; DeSantis is term-limited
New York	20.0	Kathy Hochul (D), 68, Aug 2021	$126.3 billion	Governorship on the ballot
Pennsylvania	13.1	Josh Shapiro (D), 53, Jan 2023	$50.5 billion	Governorship on the ballot
Illinois	12.7	JB Pritzker (D), 61, Jan 2019	$56.6 billion	Governorship on the ballot
Ohio	11.9	Mike DeWine (R), 79, Jan 2019	$31.7 billion	Governorship open and rated a toss-up
Georgia	11.3	Brian Kemp (R), 62, Jan 2019	$41.7 billion	Governorship open and rated a toss-up
North Carolina	11.2	Josh Stein (D), 60, Jan 2025	$33.3 billion	No governor's race
Michigan	10.1	Gretchen Whitmer (D), 55, Jan 2019	$13.9 billion, excluding the school-aid fund	Governorship open; Whitmer is term-limited
New Jersey	9.5	Mikie Sherrill (D), 54, Jan 2026	$58.7 billion	Elected in November 2025
Virginia	8.9	Abigail Spanberger (D), 47, Jan 2026	$33.8 billion	Elected in November 2025
Arizona	7.6	Katie Hobbs (D), 56, Jan 2023	$17.8 billion	Governorship on the ballot

Population: Census Bureau estimates for July 1, 2025. Budgets: NASBO's spring 2026 survey, which measures general funds differently from some states' own totals. Ages as of October 16, 2026. Toss-up ratings as listed by NCSL on September 14, 2026, which also lists Wisconsin, Iowa, and Nevada.

15c. Money and the Balanced-Budget Rule

States cannot print money, and every state but Vermont must balance its operating budget, which makes them the part of American government that has to match spending to revenue each year. Medicaid is the largest item, about 30% of total state spending and 15% of what states pay from their own funds, and schools and universities are the other great claim. General-fund spending across the states rose 7.9% to an estimated $1.38 trillion in fiscal 2026, and governors proposed slightly less, $1.36 trillion, for 2027. Seven states made net cuts in the middle of fiscal 2026, and for 2027 nearly half are cutting somewhere, fourteen of them by eliminating vacant positions.

The reserves the states built after the pandemic are now being spent. Their rainy-day funds held $191.0 billion in fiscal 2025, an estimated $182.7 billion in 2026, and $160.5 billion in the governors' 2027 budgets, and by the Pew Charitable Trusts' measure the median state could have run 47.8 days on its reserves in 2025, down from a record 54.5 days in 2024. The budget officers' association still describes the states as 'in

a strong fiscal position,' but the cost shifts of the July 2025 law are still to come (Module 13), and the governors and legislatures elected in November will make those choices.

15d. The 2026 State Elections

Thirty-six governorships and 6,139 of the 7,386 state legislative seats, 83% of them, in 88 chambers are on the November 3 ballot, along with 132 statewide ballot measures. Republicans hold 26 governorships and Democrats 24, after Democrats won Virginia and New Jersey (15b). Republicans control 58 legislative chambers and Democrats 39, with the Minnesota House tied 67-67 and Nebraska's single chamber officially nonpartisan, and 23 states have Republican trifectas, control of the governorship and both chambers, against 16 Democratic trifectas, with 10 states divided.

15e. Local Government and the Property Tax

Local governments run on the property tax, state aid, and fees, and they deliver the services that shape daily life. School districts educate about 49 million public-school students, about 18,000 law-enforcement agencies employ some 700,000 sworn officers, and cities zone land, which is why much of the cost of housing turns on local decisions. The property tax raised $685 billion in fiscal 2023, about 29% of the taxes state and local governments raise themselves, and it is the most stable base local government has. That makes the revolts against rising assessments consequential: Florida's legislature has put on the November 3 ballot a constitutional amendment that would sharply raise the exemption on primary homes as a step toward ending the tax on them, and it needs 60% of the vote to pass.

Module 15 Key Points

State and Local Government

• The Census counted 91,438 local governments in 2025; state and local governments employ 20.3 million people.

• Every state but Vermont must balance its budget; Medicaid is about 30% of total state spending.

• Rainy-day funds peaked at $191 billion in fiscal 2025 and are now being drawn down.

• Thirty-six governorships and 83% of legislative seats are on the November 3, 2026 ballot.

• The property tax raised $685 billion in fiscal 2023, the base of local government that tax revolts target.

Module 15 Quiz

Check Your Understanding

1. How do state and local workforces compare with the federal civilian workforce?

A) They are about the same size.
B) They are half as large.
C) Local governments alone employ fewer than states do.
D) State and local governments employ about 20 million people, roughly ten times as many.

2. How many local governments did the Census count in 2025?

A) About 3,000
B) About 91,400
C) Some 900
D) About 19,500, counting only the cities, towns, and villages that have mayors

3. What is the largest item in state budgets?

A) Prisons
B) Medicaid, about 30% of total state spending
C) State police and highways
D) Pensions for retired state workers

4. How large were state rainy-day funds in fiscal 2025?

A) $191 billion
B) $19 billion
C) $1.9 trillion
D) Under $50 billion, near record lows

5. How many governorships are on the ballot on November 3, 2026?

A) All 50
B) About a dozen
C) Twenty-four
D) 36

Module 16 — The Security State: Military, Intelligence, and Law Enforcement

The Armed and Investigative Parts of the Government

Recommended Reading / Reference

Reference: The Defense Department's fiscal 2027 budget request (April 2026); Just Security's timeline of the vessel strikes (updated October 5, 2026); the Office of the Director of National Intelligence's overview of the intelligence community; the Congressional Research Service on the War Powers Resolution

16a. The Military

Element	Detail
Active-duty strength	1,321,916 authorized for fiscal 2026; the 2027 request is 1,342,900, with a pay raise of 5% to 7% for troops
Budget, fiscal 2026	About $1.01 trillion enacted, including about $152 billion from the July 2025 reconciliation law
Request, fiscal 2027	$1.5 trillion: $1.15 trillion in the base budget and $350 billion expected from a further reconciliation bill. It includes $17.5 billion for the Golden Dome missile-defense system, only $400 million of it in the base, and $65.8 billion for shipbuilding against $27.2 billion enacted for 2026
In Congress	The armed services committees and House Appropriations have written their bills to a $1.1 trillion topline without the $350 billion, and a final defense appropriation is not expected before the midterms
Chain of command	The president, through the secretary of defense, to the combatant commanders; the Joint Chiefs of Staff advise but do not command

End strength and the request: Defense Department budget documents as reported by Breaking Defense (April 2026). Congress: Washington Technology (August 14, 2026). Civilian staff and the combatant commands are in Module 3.

In 2025-26 the military has fought the war with Iran (Module 9), at a cost Secretary Hegseth put at $37.5 billion by July 21, and struck boats it says carried drugs in the Caribbean and the eastern Pacific (16b). It has deployed troops to the southern border, where strips of land placed under military jurisdiction in 2025 as 'national defense areas' let soldiers detain trespassers, sent the Guard into American cities (Module 14), and begun the Golden Dome program.

Are the removals of senior officers restoring civilian control or politicizing the military? More than 20 top officers have been fired or pushed aside under this administration (Module 3), and by August 30 the Army had gone 150 days without a confirmed chief. **The Pentagon's case** is that it was 'time for a leadership change,' and its spokesman said the acting chief, General Christopher LaNeve, Hegseth's former military aide, is 'completely trusted by Secretary Hegseth to carry out the vision of this administration.' **The critics' case**, as reported in August, is that the choice of LaNeve was 'rushed and overly politicized'; the Senate Armed Services Committee's Republican chairman, Roger Wicker, acknowledged 'some opposition within the committee,' and Senator Joni Ernst was reported to have concerns.

The evidence: the Army's vacancy is the longest since 1972, and the White House had not sent the Senate a nominee for the post by late August. **The course's reading:** civilian control includes the power to choose commanders, but removals that appear tied to loyalty rather than performance risk teaching officers that their careers depend on politics, which is the risk the critics name.

16b. The Boat Strikes

Since September 2025 the military has struck vessels it says were carrying drugs, first in the Caribbean and, in 2026, mostly in the eastern Pacific, in an operation the Pentagon calls Southern Spear. By October 4, 2026 there had been 71 strikes, which killed 238 people, 23 of them missing and presumed dead, with three known survivors. Congress narrowly declined to restrict them. The House rejected two resolutions on December 17, 2025, by 210-216 and 211-213, the Senate defeated a war-powers resolution on Venezuela 50-50, with the vice president breaking the tie, on January 14, 2026, and the House defeated another 215-215 on January 22.

Are the strikes lawful? The administration's case is that the United States is in a 'non-international armed conflict' with drug cartels whose members are 'unlawful combatants,' as the president notified Congress on October 1, 2025, and that the president may order lethal force against them in self-defense. The Justice Department has argued that the War Powers Resolution's 60-day limit does not apply, and the president says the strikes reduce overdoses. **The critics' case**, made by United Nations experts and by former military lawyers such as retired Major General Steven Lepper, is that the strikes violate international law and, in the UN experts' words, may amount to crimes against humanity, and that the Pentagon has produced no evidence that any boat it struck carried drugs.

The evidence: the legal opinion behind the strikes remains secret, though a federal judge in New York ordered it produced for his private review on September 30, 2026; a strike on September 2, 2025 killed two survivors of the first attack; and federal overdose data show no noticeable decline since the strikes began. **The course's reading:** the strikes rest on a legal theory that the government has not made public, and until a court or Congress tests it, the power to kill suspected traffickers at sea rests on the president's word alone.

16c. The Intelligence Community

Agency	Parent	Mission	2025-26
Office of the Director of National Intelligence (ODNI)	Independent	Oversees the eighteen-member intelligence community; the President's Daily Brief	About 1,000 staff after a fifth round of cuts in July 2026, down from roughly 2,000 at the start of the term; three directors or acting directors in 2026 (Module 2)
Central Intelligence Agency (CIA)	Independent	Foreign human intelligence, analysis, and covert action	Workforce cuts; the war with Iran
National Security Agency (NSA)	Defense	Signals intelligence and cybersecurity; its director also commands Cyber Command	Gen. Joshua Rudd confirmed 71-29 on March 10, 2026, ending a vacancy of about eleven months after the previous director was removed
National Reconnaissance Office; National Geospatial-Intelligence Agency	Defense	Spy satellites; imagery and mapping	—
Defense Intelligence Agency	Defense	Military intelligence	Its director removed in 2025
National Counterterrorism Center	ODNI	Terrorism analysis	Its director, Joe Kent, resigned on March 17, 2026 in protest of the war with Iran

Agency	Parent	Mission	2025-26
The FBI's intelligence branch and departmental offices	Justice, Homeland Security, State, Treasury, Energy	Counterintelligence at home; analysis for their departments	—

Agency budgets and staff are classified; ODNI's cuts are as reported on July 28, 2026.

16d. Federal Law Enforcement

Federal law-enforcement agencies may operate anywhere in the country, which is why the immigration surge did not need the military. Immigration and Customs Enforcement more than doubled its officers and agents, to about 22,000, after hiring more than 12,000 people in 2025 from more than 220,000 applicants, by DHS's count in January 2026. The FBI, under Director Patel, lost one deputy director, Dan Bongino, in January 2026 and a co-deputy, Andrew Bailey, on October 2. Bailey cited family reasons, while two sources quoted in news reports said Patel had kept him out of meetings after he raised constitutional objections; Christopher Raia remains the other co-deputy. The use of federal agents in American cities, and the deaths of two citizens in Minneapolis (Module 6), have made the conduct of these agencies, more than the military's, the year's main question about force at home.

The rules on that force are set out in Module 14, and Congress's war powers in Module 9. Together they leave the security state's largest decisions of 2025-26, the war with Iran, the boat strikes, and the deployments, resting on the president's authority, with the courts as the main check at home and no effective check abroad.

Module 16 Key Points

The Security State: Military, Intelligence, and Law Enforcement

• Active-duty strength is about 1.32 million; the fiscal 2027 request of $1.5 trillion counts on $350 billion from reconciliation.

• Boat strikes killed 238 people in 71 strikes by October 4, 2026; Congress narrowly declined to restrict them.

• More than 20 top officers have been fired or pushed aside; the Army went 150 days without a confirmed chief by August 30.

• ICE more than doubled its officers and agents, to about 22,000, after hiring more than 12,000 people in 2025.

• The NSA's director was confirmed in March 2026 after an eleven-month vacancy; ODNI's staff has been roughly halved.

Module 16 Quiz

Check Your Understanding

1. What is the fiscal 2027 defense request?

A) It is about $900 billion.
B) It is $1.1 trillion, all in the base budget.
C) It is $1.5 trillion, including $350 billion from reconciliation.
D) It is $2 trillion, the largest military budget in the nation's history by far.

2. How many people had the boat strikes killed by October 4, 2026?

A) 23
B) About 1,000
C) Fewer than 50
D) 238

3. Who has led the NSA since March 2026?

A) Kash Patel
B) Gen. Joshua Rudd
C) Jay Clayton
D) Lt. Gen. William Hartman, permanently

4. How did Congress respond to the boat strikes?

A) It authorized them by law.
B) It cut off their funding.
C) It narrowly rejected every resolution to restrict them, including a 50-50 Senate vote.
D) It passed a resolution ending them, which was vetoed.

5. How many officers and agents did ICE have after its hiring drive, by DHS's January 2026 count?

A) About 22,000
B) Roughly 45,000
C) Nearly 60,000
D) About 10,000, the same as before the 2025 law, because hiring stalled during the shutdown

Module 17 — Money: The Treasury, the Fed, and the Fiscal-Monetary Interface

The Two Institutions That Manage the Dollar and the Debt

Recommended Reading / Reference

Reference: The Federal Reserve Act and the Fed's *Purposes and Functions*; the Congressional Research Service on the Board of Governors (R48233, May 2026); the Treasury's quarterly refunding statement of August 5, 2026; the FOMC's statement of September 16, 2026

17a. The Treasury as Borrower

The Treasury, whose other functions are in Module 3, finances the deficit by auctioning securities: bills that mature within a year, notes of two to ten years, and bonds of twenty and thirty years. It announces its plans each quarter in a 'refunding' statement. On August 5, 2026 it kept the sizes of its note and bond auctions unchanged, selling $58 billion of three-year notes, $42 billion of ten-year notes, and $25 billion of thirty-year bonds, and said it expects to keep them unchanged 'for at least the next several quarters.' The dealers who advise it expect auction sizes to rise sometime in 2027.

The buyers of that debt, not the Fed, set the long-term rates the government pays. The ten-year Treasury yielded 5.19% and the thirty-year 5.52% on October 14, 2026, levels that reflect inflation above the Fed's target, large deficits (Module 11), and the extra return investors demand for lending for long periods. The debt limit is in Module 10.

17b. The Federal Reserve

The Federal Reserve has three parts, the first of them the Board of Governors in Washington, whose seven members the president appoints and the Senate confirms for fourteen-year terms. The twelve regional Reserve Banks are chartered under federal law, with stock held by their member banks, and are publicly directed. The Federal Open Market Committee (FOMC), the seven governors and five of the bank presidents, sets monetary policy at eight meetings a year. Its mandate from Congress, since 1977, is maximum employment and stable prices, which it has defined since 2012 as inflation of 2%. It funds itself from the income on its holdings, a balance sheet of about $6.7 trillion in May 2026, and its governors can be removed only for cause, a protection the Supreme Court left standing in June (Module 7).

Governor	Role	On the Board since	Term ends	Senate vote
Kevin Warsh	Chair, with a term to May 2030	May 2026, in Stephen Miran's former seat	January 2040	51-45 as governor
Philip Jefferson	Vice Chair since September 2023, to September 2027	May 2022	January 2036	91-7; 88-10 as vice chair
Michelle Bowman	Vice Chair for Supervision since June 2025	November 2018	January 2034	48-46 as vice chair for supervision
Christopher Waller	Governor	December 2020	January 2030	48-47
Michael Barr	Governor; vice chair for supervision 2022-25	July 2022	January 2032	66-28

Governor	Role	On the Board since	Term ends	Senate vote
Lisa Cook	Governor; the president's attempt to remove her is under way again (Module 7)	May 2022	January 2038	51-50; 51-47 for a full term
Jerome Powell, 73	Governor; chair from 2018 to May 15, 2026	May 2012	January 2028	84-13 as chair in 2018

Congressional Research Service, R48233 (May 27, 2026). Warsh's age, start date, and vote as chair are in the table before Module 1. Miran, appointed in 2025, left on May 21, 2026.

17c. Policy in 2026

The Fed cut its target for the federal funds rate in 2025 to a range of 3.50-3.75% and held it from December 2025 through July 2026, while the oil shock from the war with Iran pushed inflation up. Three Reserve Bank presidents dissented in favor of a hike at the July meeting. On September 16 the committee raised the range a quarter point, to 3.75-4.00%, by a vote of 12-0, its first increase since July 2023, and 16 of its 18 participants expected at least one more increase in 2026. Warsh said that 'the plain fact is that inflation is too high and has been too high for too long.' Consumer prices rose 3.7% in the year to September and 2.6% excluding food and energy, and unemployment was 4.2%.

The decision went against the president, who chose Warsh and had said that rates 'should be 1%, or less.' Warsh told senators at his confirmation that the president had never asked him to commit to a rate decision. The committee's next meetings are listed in Module 19.

17d. The Fiscal-Monetary Interface

Worked example — What a Percentage Point Costs

The debt held by the public at the end of fiscal 2026 and the net interest paid on it (Module 11) imply an average rate of about 3.5%. New ten-year notes yield well above that (17a), so as old debt matures and is refinanced, the average rate drifts upward. If the average rose by one percentage point, interest would eventually cost 1% of the debt held by the public, about $324 billion a year more, once the whole debt had repriced. That is about three-quarters of what the government spends on veterans (Module 11). The arithmetic works in reverse as well, which is why a president facing so large an interest bill wants lower rates, and why the Fed's independence is a fiscal question as much as a monetary one.

Should monetary policy ease the Treasury's interest bill? The president's case is that the economy can grow faster with lower rates and that a booming economy is not a threat to be cooled; at Warsh's swearing-in he said, 'Unlike some of his predecessors, Kevin understands that when the economy is booming … that's a good thing,' and urged the Fed to 'just let it boom.' **The committee's case** is that inflation has run above its target since 2021, and the standard argument for an independent central bank holds that cutting rates to ease a government's borrowing costs raises inflation and, in time, the long-term rates the government pays.

The evidence: net interest rose in fiscal 2026 (Module 11) because the debt grew and long-term yields, which the market sets, rose, while the Fed's lower short-term rate only partly offset them, and inflation was well above 2% when the Fed raised its rate. **The course's reading:** the Fed's independence held in its first test under a chair the president chose, but the Fed controls only short-term rates, so the Treasury's interest bill depends more on inflation and deficits than on the president's pressure on the Fed.

Module 17 Key Points

Money: The Treasury, the Fed, and the Fiscal-Monetary Interface

• The FOMC raised its range to 3.75-4.00% on September 16, 2026, by 12-0, its first hike since July 2023.

• Warsh has chaired the Fed since May 22, 2026; Powell remains a governor, with a term to January 2028.

• The Treasury kept auction sizes unchanged in August and expects to for several quarters; the next refunding is November 4.

• Each percentage point on the average rate would add about $324 billion a year in interest once the debt reprices.

• The president wants rates of '1%, or less'; the committee, his chosen chair included, put inflation first.

Module 17 Quiz

Check Your Understanding

1. What did the FOMC do on September 16, 2026?

A) It cut rates by half a point.
B) It raised its target range a quarter point, to 3.75-4.00%, by a vote of 12-0.
C) It held rates steady for a ninth time.
D) It ended its holdings of Treasury securities entirely.

2. Who took Stephen Miran's seat on the Board of Governors?

A) Kevin Warsh
B) Powell
C) Michael Barr, moved from vice chair
D) A nominee still awaiting a Senate vote

3. How did the Treasury's August 2026 refunding change auction sizes?

A) It doubled the 30-year bond
B) It cut bill issuance in half
C) It raised every coupon auction by a third to finance the war and the tariff refunds at once
D) It kept them unchanged

4. How long is a Fed governor's term?

A) Four years
B) Life
C) Fourteen years
D) Ten years, renewable once by the Senate

5. About how much more would interest cost each year if the average rate on the debt rose one percentage point?

A) About $32 billion
B) About $324 billion
C) About $3.2 trillion
D) Very little, since the debt is locked in at fixed rates until each bond matures decades from now

Module 18 — Elections, Parties, and Oversight

How Officials Are Chosen and Checked

Recommended Reading / Reference

Reference: The National Conference of State Legislatures and Voting Rights Lab on redistricting (2026); the Cook Political Report's and Sabato's Crystal Ball's 2026 ratings; Citizens for Responsibility and Ethics in Washington on inspector-general vacancies (February 2026); *Louisiana v. Callais* (April 29, 2026)

18a. The Electoral Machinery

Office	How chosen	Term	Next election
President and vice president	The Electoral College: 538 electors, 270 to win, allocated winner-take-all in 48 states. In 2024 Trump won 312 electoral votes to Kamala Harris's 226, with 49.8% of the popular vote to her 48.3%, on a turnout of about 64% of eligible voters	Four years	November 7, 2028
House	435 districts drawn by state legislatures or commissions; plurality winner in most states; Maine and Alaska use ranked choice, and Georgia requires a majority, with a runoff. Republicans won 220 seats to 215 in 2024	Two years	November 3, 2026, all 435 seats; Louisiana holds its House primaries that day and its general election on December 12
Senate	Statewide; Republicans gained four seats in 2024, for 53	Six years	November 3, 2026: 35 seats, 22 held by Republicans and 13 by Democrats, including special elections in Ohio and Florida
Governors and legislatures	Statewide and by district	Mostly four and two years	November 3, 2026 (Module 15)
Election administration	Run by states and about 10,000 local jurisdictions	—	Federal efforts to change the rules are in Module 14; the SAVE America Act, requiring documentary proof of citizenship to register, failed in the Senate on June 4, 2026, 48-50 and 50-49, short of the 60 votes needed

2024 results: the Federal Election Commission's official tallies; turnout is the University of Florida Election Lab's estimate for eligible voters.

18b. The Redistricting War

Congressional districts are redrawn after each census, and 2025 broke the norm of redrawing only then. At the White House's urging Texas redrew its map in August 2025 to gain as many as five Republican seats, and the Supreme Court upheld it in April 2026. California answered in November 2025 with Proposition 50, approved with 64% of the vote, to gain as many as five Democratic seats. By August 2026 nine states had new maps for the midterms: Texas, California, North Carolina, Ohio, Utah, Florida, Tennessee, Louisiana, and Alabama. The last three redrew after the Supreme Court's *Callais* decision (Module 12), and Tennessee's map splits the Memphis district that had a Black majority.

Other attempts failed: Indiana's Senate rejected a new map in December 2025, with 21 of its Republicans voting no, and Virginia's supreme court voided a voter-approved amendment in May. Missouri's 2025 map was blocked after a referendum petition, so the state votes under its 2022 map, with the 2025 map itself on the ballot as Proposition A. Maryland's voters will decide whether to allow a redraw for 2028.

Is mid-decade partisan redistricting legitimate? Its proponents, led by Governors Greg Abbott of Texas and Ron DeSantis of Florida, argue that legislatures may redraw whenever they choose, that federal courts cannot police partisan gerrymanders under the Supreme Court's 2019 ruling in *Rucho v. Common Cause*, and that *Callais* removed the requirement to keep some majority-minority districts. **Its opponents**, among them the Missouri group People Not Politicians and Indiana's Republican senators who voted no, argue that redrawing for partisan advantage between censuses erodes representation and that voters' referendums must be honored. Democrats who object to the practice also answered it in kind, in California and Virginia.

The evidence: estimates of the net effect vary, from about 8 Republican seats in the Midterm Project's count of May, before Missouri's map fell, to about 14 in VoteHub's analysis of June, which found that the median district moved 1.8 points toward Republicans. **The course's reading:** the maps have been redrawn by whichever party controlled each state, so the net effect is smaller than the Republicans' gross gains, but the practice has made district lines a weapon to be used whenever a party can, and the next census will not end it.

18c. The Midterms, as of Mid-October

Measure	Reading	Source and date
Presidential approval, averages	37% to 38% approve, about 60% disapprove	RealClearPolitics 38.3%, New York Times 37%, Silver Bulletin 37.1%, as of October 8
Presidential approval, recent polls	32% (Reuters/Ipsos, September 30 to October 5, 4,506 adults online); 30% (Pew Research Center, September 28 to October 4, 5,062 adults); 39% (Emerson College, September 21-22, 1,000 likely voters)	Emerson's release; Reuters/Ipsos and Pew as reported by Political.org (October 10)
Generic congressional ballot, averages	Democrats ahead by about 8 to 9 points	Silver Bulletin D+8.9 (October 7); RealClearPolling D+8.5 (polls of September 2-20)
Generic ballot, recent polls	Rasmussen Reports, October 1 and 4-7, 1,781 likely voters: D 49, R 44. Emerson, September 21-22, 1,000 likely voters: D 53, R 42. Marquette Law School, September 2-9, 864 registered voters: D 50, R 42	The pollsters' releases
Senate ratings	Cook Political Report toss-ups after its moves of about October 8: Alaska, Iowa, Kansas, Maine, Michigan, Ohio, and Texas, with New Hampshire and North Carolina leaning or likely Democratic	Cook, as reported in early October
Senate forecasts	Democrats' chances of control: 59% (Silver Bulletin, September 15), 51% (Decision Desk HQ, mid-September), 65% (FiftyPlusOne)	Newsweek's compilation (September 18)
House outlook	Cook projects a Democratic gain of 5 to 15 seats	As reported on October 8

Some averages and ratings are as reported by news compilations rather than read on the raters' own pages.

The president's party has lost House seats in most modern midterms, and the measures in the table point the same way. The redrawn maps cut into the Democrats' House margin, and the Senate's leading contests include Ken Paxton against James Talarico in Texas and Sherrod Brown against Senator Jon Husted in Ohio. Three of the Republican incumbents who lost their primaries stand out. Senator Bill Cassidy of

Louisiana, who voted to convict Trump at his 2021 impeachment trial, finished third in May; Senator John Cornyn of Texas lost a runoff to Paxton, the state's attorney general; and Representative Thomas Massie of Kentucky, who led the Epstein petition (Module 9), lost in May.

Money is flowing to the majority's defense: Elon Musk had spent $366 million on the 2026 cycle by October 12, $276 million of it since July, including $158 million to the leading super political action committee for Senate Republicans. The Republican National Committee held $130.3 million at the end of July, a record by its own account, against about $16 million in cash and $17.9 million of debt at the Democratic National Committee. At a midterm convention in September the president promised a $5,000 'dividend' to every American if Republicans keep Congress, a pledge 63% disapproved of in a Reuters/Ipsos poll.

18d. Oversight and Accountability

Institution	Role	2025-26
Government Accountability Office	Congress's auditor; audits, investigations, and legal decisions on spending	Run by an acting comptroller general, Orice Williams Brown, since Gene Dodaro's fifteen-year term ended on December 29, 2025; a congressional commission recommends candidates, and no nominee has been named. Its impoundment findings are in Module 10
Inspectors general (IGs)	Independent auditors and investigators inside the agencies	72 posts, 29 of them vacant; 55% of the 38 posts the president fills were vacant at the end of 2025. After the firings of January 2025 (Module 2), ten more were fired or resigned, and their council received no funds for fiscal 2026
Congressional Budget Office	Nonpartisan cost estimates and projections	Its estimates of the July 2025 law (Module 10) attacked by the administration but not replaced
Congressional committees	Hearings, subpoenas, and investigations	The majority controls hearings and subpoenas; the minority cannot compel testimony on its own
The press	Disclosure and investigation	The Associated Press barred from some White House events in 2025; settlements of the president's suits by the parent companies of two television networks; pressure on broadcasters from the FCC's chairman
Impeachment	The House's ultimate check	Resolutions filed and tabled

Is the oversight system still working? The critics' case, made by watchdog groups such as Citizens for Responsibility and Ethics in Washington, is that leaving so many inspector-general posts vacant opens 'the door for waste, fraud and abuse,' and Republican senators Chuck Grassley and Susan Collins criticized the defunding of the inspectors' council. **The administration's case** is that the executive answers to the president and the voters, and its budget office has long contended that GAO, an arm of Congress, has no authority over the executive branch.

The evidence: most of the inspector-general posts the president fills are vacant, their council has no funds, and GAO is run by an acting head, while the checks that have held are outside the executive branch: the courts (Module 12) and the states' attorneys general (Module 14). **The course's reading:** between elections the executive branch now answers mainly to judges and to the states (Module 19).

Module 18 Key Points

Elections, Parties, and Oversight

• All 435 House seats and 35 Senate seats are on the November 3 ballot; Republicans defend 22 of the Senate seats.

• Nine states use new congressional maps in 2026; estimates of the net gain for Republicans run from about 8 to 14 seats.

• Approval averages put the president near 37-38% in early October; generic-ballot averages show Democrats ahead by about 8-9 points.

• Musk had spent $366 million on the 2026 cycle by October; the RNC held a record $130 million in July.

• Over half the presidentially appointed inspector-general posts were vacant at the end of 2025; GAO has had an acting head since December.

Module 18 Quiz

Check Your Understanding

1. How many Senate seats are on the ballot on November 3, 2026?

A) 33
B) All 100
C) Fifty, since half the Senate is elected every two years under the Constitution
D) Thirty-five

2. In how many states will new congressional maps be used in 2026?

A) Nine
B) Thirty
C) Fifteen
D) Only Texas and California, since courts blocked every other attempt at a mid-decade map

3. What happened to the SAVE America Act in the Senate?

A) It passed and was signed into law.
B) It never came to a vote in either house.
C) It fell short of 60 votes on June 4, failing 48-50 and 50-49 as amendments.
D) It passed the Senate but failed in the House.

4. How much had Elon Musk spent on the 2026 cycle by mid-October, by Reuters's count?

A) About $5 million
B) $29 million
C) $366 million, $276 million of it since July
D) Over $1 billion

5. Who has run GAO since December 30, 2025?

A) An acting comptroller general
B) Gene Dodaro
C) A comptroller general confirmed in 2026
D) The Senate Appropriations Committee's chair, by statute

Module 19 — Where Things Stand, and What to Watch

The Argument, the Contradictions, and the Dates Ahead

Recommended Reading / Reference

Book: *The Federalist Papers*, Nos. 47-51 and 70

Reference: The congressional, judicial, and Federal Reserve calendars for 2026-28; the Congressional Research Service on the separation of powers

19a. The Argument

In 2025-26 the three branches did not defend themselves equally (Module 1). The presidency used every power it could claim. It removed the heads of independent agencies, reorganized and shrank the departments, and redirected their enforcement, and the Supreme Court allowed most of what came before it, so that the executive branch now answers to the president in a way it has not since the New Deal built the regulatory state (Modules 2, 7, and 8). Outside measures registered the shift: Freedom House's 2026 report scored the United States 81 of 100, still Free but its lowest score, and V-Dem's 2026 report classed it as an electoral rather than a liberal democracy.

Where the president reached beyond the executive branch, for Congress's power to tax, for the meaning of the citizenship clause, or for a state's Guard, the courts stopped him, and he complied with their final judgments (Modules 12 and 14). Congress, with narrow majorities, governed through reconciliation laws and funding lapses, and it declined to use its war powers, its control of agency structure, or its oversight (Modules 9, 10, and 18). The states, through their attorneys general and their control of elections, became the most active check outside Washington (Modules 13 and 14).

The course's argument follows from that record: the separation of powers in 2026 runs mainly between the president and the courts, with the states as litigants and Congress as the absent branch. That arrangement protects the boundaries the Constitution states in its text, which judges can enforce, and leaves unprotected the ones that depend on Congress acting, which are the power of the purse, the decision to go to war, and the shape of the government itself. The November 3 election is the mechanism the design relies on to restore the missing branch, which is why the midterms matter more for the structure of the government than any single law passed in this Congress.

19b. Five Contradictions

First, the Court that freed the president inside the executive branch has been the main check on him outside it. The same Court that let him remove commissioners at will struck down his tariffs and his citizenship order and kept the Guard out of Chicago, with Roberts and Barrett in all four majorities. The Court's majority sees one principle in both, a strong president confined to executive power, while its critics see a Court that defers on structure and draws lines only where the text is plainest (Modules 7, 12, and 14).

Second, the cuts so far fell on the parts of the government that cost the least. The workforce, the grants, and the agencies Congress funds each year absorbed the reductions, while interest, Social Security, and Medicare grew and the 2025 tax law cut revenue; its Medicaid cuts arrive mostly from 2027. The government became smaller in capacity and larger in debt in the same two years (Modules 8 and 11).

Third, the most successful policy by its own measure produced the year's longest funding crisis. Border crossings fell to their lowest in decades, but enforcement in the interior, and the killing of two citizens by federal agents in Minneapolis, led Senate Democrats to block the department's regular funding for months, and the majority then funded enforcement through reconciliation instead (Modules 6 and 10).

Fourth, the parties have swapped sides on federalism. Democratic states now invoke the anti-commandeering doctrine and the states' control of elections against a Republican administration that uses federal power over the Guard, grants, and voter rolls, just as Republican attorneys general invoked states' rights against the previous administration. The doctrine of federalism has proved durable precisely because each party needs it when it is out of power (Modules 13 and 14).

Fifth, the one independence the Court preserved is the one that matters most to the president's budget. Every commission lost its protection from removal except the Fed's, and the Fed then raised rates unanimously against the president's demands, under a chair he chose, so the institution whose decisions most affect the government's interest bill is the one the president controls least (Modules 7 and 17).

19c. What to Watch

Date	Event	Why it matters
October 27-28, 2026	Federal Open Market Committee meeting (Module 17)	Whether the committee follows its September increase with another, as most of its members projected, a week before the midterms and against the president's demands for lower rates
November 2, 2026	Comments close on the Census Bureau's proposed rule on apportionment (Module 4)	A final rule would put the meaning of 'persons' in the Fourteenth Amendment before the courts before the 2030 count
November 3, 2026	Midterm elections for Congress, governors, and legislatures, with ballot measures including Missouri's map and Florida's property tax (Modules 15 and 18)	The first national vote under the new maps and the courts' rulings on mail ballots, so the acceptance of the count is itself a test
November 4, 2026	Treasury refunding statement (Module 17)	Whether rising interest costs push the Treasury to enlarge its auctions sooner than its advisers expect
November 5, 2026	White House hearing on Governor Lisa Cook (Module 7)	The first test of the Fed's protection since the June ruling; a removal would send the question of what counts as 'cause' back to the courts
No earlier than November 9, 2026	Congress's review period ends for the September rescission proposals (Module 10)	Whether GAO sues to establish that a president cannot let appropriations expire this way, or the practice stands as precedent
December 2 and 8, 2026	Supreme Court arguments on bans of AR-15 rifles and on Arizona's proof-of-citizenship requirement (Module 12)	The second case reaches the same question as the executive orders on voter citizenship, through a state law rather than a presidential order
December 8-9, 2026	Federal Open Market Committee meeting, with projections (Module 17)	The committee's outlook for 2027 under a Congress whose majority will by then be known
December 11, 2026	The stopgap funding the government and the highway programs expires (Module 10)	The first spending deadline after the election, settled by a lame-duck Congress; another lapse would make shutdowns a routine instrument
January 1, 2027	Medicaid work requirements must begin for adults covered by the expansion, unless a state wins an extension (Module 13)	The first large test of how many adults meet the requirements and how many lose coverage, whether for not working or for paperwork
January 3, 2027	The 120th Congress convenes	Its party balance decides whether war powers, impoundment, and agency structure return to Congress or stay with the president and the courts

Date	Event	Why it matters
Around May 2027	The Treasury reaches the debt limit (Module 10)	The first debt-limit fight with interest costs and long-term yields this high (Modules 11 and 17)
October 1, 2027	States begin paying a share of SNAP benefits set by their error rates (Module 13)	The first transfer of a benefit's cost to the states, which will show whether accountability or cuts in eligibility follow
January 31, 2028	Jerome Powell's term as a governor ends (Module 17)	Would give the president a fourth appointee on the seven-member Board, a majority
November 7, 2028	Presidential election	The first election to choose the successor to a president who has used the office's powers this fully

Undated items to watch: the White House's decision on Cook; the appeals-court ruling on the Guard in Washington; the appeals in the vaccine, Education Department, and Schedule Policy/Career cases; nominees for comptroller general and for the Army's chief of staff.

19d. The Last Word

Madison expected each branch to defend itself because its members would want to. The record of 2025-26 shows a presidency that wanted to, courts that did when asked, states that sued, and a Congress whose members, divided by party more than by branch, mostly did not. Whether that is a passing condition or the new shape of American government is the question the November election, the next Congress, and the next president will begin to answer, and the design still leaves the answer to the voters.

Module 19 Key Points

Where Things Stand, and What to Watch

• The presidency now controls the executive branch, the Fed excepted, with the Supreme Court's approval.

• It lost when it reached for Congress's powers or the Constitution's text: tariffs, citizenship, and the Guard outside Washington.

• Congress governed through reconciliation and funding lapses, and left war powers and agency structure to the president and the courts.

• The courts and the states' attorneys general have been the main checks between elections.

• The November 3 midterms decide whether the 120th Congress, convening January 3, 2027, becomes a check.

Module 19 Quiz

Check Your Understanding

1. What is scheduled for November 5, 2026?

A) The Fed's next meeting
B) A Senate vote
C) The Supreme Court's ruling on the Fed's independence
D) A White House hearing on Lisa Cook

2. In the course's argument, which branch has been the main check on the president?

A) Congress has, through its power of the purse.
B) The courts have.
C) The Federal Reserve has, through interest rates.
D) The cabinet has, by refusing to carry out orders.

3. What deadline falls on December 11, 2026?

A) Election day
B) The debt limit
C) The stopgap funding expires
D) The Supreme Court must rule on the tariff refunds

4. What is the course's point about where the 2025-26 cuts fell?

A) They fell mostly on Social Security.
B) They fell on the annual programs and the workforce, while interest and the large benefit programs drove the deficit.
C) They fell mostly on defense and the war.
D) They were spread evenly across the whole budget.

5. When do states begin paying a share of SNAP benefits?

A) October 1, 2027
B) In 2030
C) On January 1, 2027
D) Only after Congress passes a separate farm bill to put the cost share into effect

Answer Sheet

Answers to every module's Check Your Understanding quiz.

Module	Answers
Module 1 Quiz	1. A 2. D 3. B 4. C 5. C
Module 2 Quiz	1. A 2. D 3. B 4. B 5. D
Module 3 Quiz	1. C 2. A 3. B 4. D 5. C
Module 4 Quiz	1. A 2. C 3. D 4. A 5. B
Module 5 Quiz	1. A 2. B 3. D 4. C 5. A
Module 6 Quiz	1. C 2. D 3. B 4. D 5. B
Module 7 Quiz	1. A 2. C 3. B 4. A 5. C
Module 8 Quiz	1. D 2. C 3. D 4. A 5. B
Module 9 Quiz	1. D 2. C 3. B 4. A 5. A
Module 10 Quiz	1. B 2. D 3. C 4. C 5. D
Module 11 Quiz	1. A 2. B 3. A 4. B 5. C
Module 12 Quiz	1. D 2. B 3. A 4. C 5. D
Module 13 Quiz	1. C 2. B 3. A 4. D 5. C
Module 14 Quiz	1. D 2. B 3. A 4. C 5. A
Module 15 Quiz	1. D 2. B 3. B 4. A 5. D
Module 16 Quiz	1. C 2. D 3. B 4. C 5. A
Module 17 Quiz	1. B 2. A 3. D 4. C 5. B
Module 18 Quiz	1. D 2. A 3. C 4. C 5. A
Module 19 Quiz	1. D 2. B 3. C 4. B 5. A