



The Daily Dish

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The White House will [push](#) Congress to make the 1.5 million acre Arctic National Wildlife Reserve (ANWR) off limits for natural gas or oil drilling. Senator Murkowski, Chairman of the Energy and Natural Resources Committee, commented “What’s coming is a stunning attack on our sovereignty and our ability to develop a strong economy that allows us, our children and our grandchildren to thrive...” The administration continues to take credit for an [energy boom hindered](#), not helped, by their policies.

Last week marked the fourth anniversary of the president's executive order to “streamline, modify, expand, or repeal” past regulations. How has it done? [AAF has found](#) modest gains in reductions are [dwarfed](#) by the ever-growing tally of new regulations proposed by this administration.

Still a bit confused on what is dynamic scoring, how it differs from the current process, and how it can change congressional reactions to bills? AAF’s President Douglas Holtz-Eakin explains the budget tool in [this video](#).

AAF is excited to have Governor Scott Walker speak at our inaugural Fred Malek lecture series this Friday. [Click here to refer a friend](#) to the Dish for your chance to attend this special event with a reserved seat. Don’t worry, we won’t automatically enroll your friend, but we will contact them to ask if they are interested in receiving the dish.

Eakinomics: Inclusive Prosperity Adopts “Premium” Support for College

On January 15, the Center for American Progress (CAP) released its [Report of the Commission on Inclusive Prosperity](#), a quiet but important moment in the debate over the future of federal policy. CAP is the leading stalking horse for the White House and other progressive political candidates policy platforms. The report includes State of the Union particulars like a higher minimum wage, elimination of the “[step up in basis](#)” for capital gains, and free college. A close examination of the policy proposals reveals a grab bag of ideas; “inclusive” prosperity is evidently more a marketing soundbite than a genuine philosophy or principle that merits scrutiny. Instead, it makes more sense to look at the particulars. Doing so reveals some surprises.

Take free college, for example. The specific proposal is: “...*the United States needs a bold new approach. We should make higher education virtually free at a community college or a public four-year college so that all high school graduates and their families have no doubt that they can afford higher education. Each high school graduate would receive support at a level up to the tuition and fees at a public four-year college or university. If students attend a community college, they would receive an amount that would cover the cost of that education. If a student attends a private college or university, the student would receive an amount equal to the comparable public education. Under such a system, students would be required to repay all or part of the support they received as a percentage of their income over a specified period of time—for example, 20 years or 25 years. If former students are struggling economically, no payment would be required until their earnings are sufficient to make payments. And similar to the payroll tax for Social Security, there would be a cap on the amount that an individual would need to repay.*”

The threshold question is whether it makes sense for college to be “virtually free.” The U.S. already has an expensive Pell Grant program that provides need-based aid to low-income students, an array of tax-based subsidies for higher education, and no requirement that taxpayer support actually produce a college degree. More taxpayer money, *per se*, does not seem to be the problem.

Moving past that, the surprise is in the design of the program. In effect, there is a fixed amount of support for college; if a student wants a more gold-plated experience he or she has to come up with the extra on their own. The fixed amount is adjusted up for low-earners (after the fact through reduced repayments and increased forgiveness) or down for high-earners. This is precisely the policy suggested by conservatives for Medicare reform and known as [premium support](#) (with one interesting difference. Premium support featured government oversight and regulation of the health insurance options; inclusive prosperity evidently embraces colleges continuing to run amok). The superior incentives of the premium support design have been obvious to observers for some time. Their embrace by the inclusive prosperity commission reveals that the opposition has all along been purely political.

Inclusive prosperity is a gimmicky label. Throwing taxpayer money at policy problems is not a real solution. But the acknowledgement of superior policy design is an important feature of the commission report.

From the Forum

[Video: #Eakinomics – 4 Key Questions on Dynamic Scoring](#)

[An Anniversary and \\$18 Million in Regulatory Costs](#) by Sam Batkins, AAF Director of Regulatory Policy