



The Daily Dish

May 5th Edition

DOUGLAS HOLTZ-EAKIN | MAY 5, 2015

Congress has stood firm that college [529 savings plans](#) are not going anywhere. Earlier this year, President Obama suggested that the savings plans should be taxed. The public and congress rebuked this idea so quickly that the White House dropped their proposal. Just last week, the Senate Finance Committee joined the House by passing a bill that allows for students to use the money within a 529 savings account more easily. According to the [National Journal](#), students will be able to use the tax-free dollars for computer and internet access purchases.

[You're Invited! AAF is hosting an event Thursday at 9am on "Reforming the Regulatory State."](#) **Senator Alexander** will give the keynote address and the event will feature a panel discussion with **Doug Holtz-Eakin**, President, American Action Forum; **Jeff Holmstead**, former Assistant Administrator of the United States Environmental Protection Agency (EPA) for Air and Radiation; **Michael Ryan**, Vice President, Business Roundtable; and **Mark Merritt**, President and CEO, Pharmaceutical Care Management Association (PCMA).

Senators Orrin Hatch (UT) and Chuck Grassley (IA) are asking for [better oversight of Obamacare exchange funds](#). State-run exchanges have received millions in the past, but as of January 1 this year, they are meant to be self-sustaining, not using any federal funds for operating expenses. They can still use grant dollars for "design, development, and implementation." The Senators' concerns were sparked after a report showed Washington State's exchange spending \$4 million on printing, postage, and bank fees.

Eakinomics: The Fiscal 2016 Budget

The Senate will soon pass the House-Senate "conference agreement" on the budget for fiscal year 2016 (which runs from October 1, 2015 to September 30, 2016). This is the final step in the [budget resolution](#) process that began with the House and Senate, respectively, passing separate budget resolutions; a conference committee meeting to hammer out a single compromise budget (the conference agreement); and the House passing this conference agreement. Among other things, the resolution shows the budget coming to balance after 10 years; does this mean that this will really happen?

No. The budget resolution is not a law; that is, it is not signed by the president. It is a roadmap for congressional deliberations and legislation. For example, it contains the targets for the Committee on Appropriations for defense (\$523.1 billion) and non-defense (\$493.5 billion) budget authority (the authority to spend, which differs from actual spending because that can take some time) consistent with the spending caps put in place by the Budget Control Act. In addition, it specifies that there be \$96.3 billion in budget authority for Overseas Contingency Operations/Global War on Terror. As a result of these limits, any appropriations bill that exceeds these amounts will be subject to a point of order precluding a vote on the bill unless the point of order is waived. That latter takes a 60-vote supermajority in the Senate. Any bill having the votes to pass will also have the votes to waive the point of order.

The budget resolution does contain [reconciliation instructions](#) for the Committee on Ways and Means (House), the Energy and Commerce Committee (House), the Finance Committee (Senate) and the committee on Health, Education, Labor and Pensions (HELP, Senate). These permit those committees to construct up to three bills —

1 each for taxes, spending, and debt limit — to reduce the deficit by modest amounts. The bills, however, are subject to fast-track procedures: no filibuster and a simple majority in the Senate. Reconciliation bills are viewed as a way to get difficult budget legislation done.

In sum, the budget resolution is the start — not the finish — of budget work in the Congress. It still must pass the 12 appropriation bills, along with any tax or entitlement reforms it may choose to take up.

From the Forum

[What the Ruling in *Mayhew v. Burwell*'s cert. Petition May Tell Us About *King v. Burwell*](#) by Brittany La Couture, AAF Health Care Policy Counsel