



The Daily Dish

What's At Stake in Education Policy

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Yesterday, the [Department of Energy \(DOE\)](#) announced the postponement of five Obama-era efficiency rules. By issuing delays to these efficiency rules, the Trump Administration gains additional time to evaluate the rules and potentially repeal the rules. Most of the rules have been delayed until May-July, however, two standards have been delayed until September.

A [new report released this week](#) by the nonpartisan Committee for a Responsible Federal Budget (CRFB) found that the Affordable Health Care Act (AHCA) would reduce the federal deficit by \$2 trillion over the course of 20 years. The Congressional Budget Office (CBO) previously stated that the AHCA would produce close to \$337 billion in savings over the next ten years, but the CBO has yet to release findings on what happens after the 10 year mark outside of saying that the AHCA would not increase the deficit. The AHCA has the support of both the White House and House GOP leadership.

Eakinomics: What's At Stake in Education Policy

To the surprise of some, the confirmation of Betsy DeVos as Secretary of Education became among the most contentious and [ended](#) with the Vice President of the United States for the first time casting a tie-breaking vote to achieve a 51-50 confirmation victory. In light of this, one might have expected Congress to turn immediately to contentious, partisan education legislation. Clearly, that has not happened. Does that mean the confirmation was entirely personal?

Not quite.

At the elementary and secondary education level, the Trump Administration is interested in building up to a dramatic \$20 billion a year increase in federal money for school choice programs. In their first budget blueprint this translates to \$250 million for a federal voucher pilot program, \$1 billion increase for [Title I funding](#), with the caveat that the new money follow the eligible child to a school of choice, and a \$168 million increase for the [Charter Schools](#) program. In general, the goal here is to get more money to individuals that would permit them to take advantage of additional school options. This could also take the form of a tax credit that supported school choice. Charter schools have been a bipartisan success and Secretary DeVos is a leading private sector voice in support of charter schools, but she is also a well-known advocate for private school options, and one can easily see the armies of the status quo, from teachers' unions and others, quickly rallying opposition to fight against greater student/parent choice and competition.

There are also some higher education fights on the horizon.

There has been a lot of attention to the amount of student loan debt, but little comparable attention to how poorly these programs operate. There is little to no meaningful underwriting at the time loans are issued, poor accounting for dollars once they are dispersed, and chronic underestimates of defaults and other taxpayer costs.

A debate over [reform of the federal student lending strategy](#) is on the horizon.

As is the future of the for-profit education sector. The Obama Administration conducted an all-out campaign to eradicate for-profit schools, engaging in a series of “[gainful employment](#)” rules to limit federal aid, a rewriting of the “[borrowers defense](#)” rule making it easier for borrowers to have loans forgiven that were taken to pay for schooling at for-profit institutions while also requiring many for-profit schools to hold idle as much as 50 percent of federal aid.

Education policy has not yet really heated up. But it will.