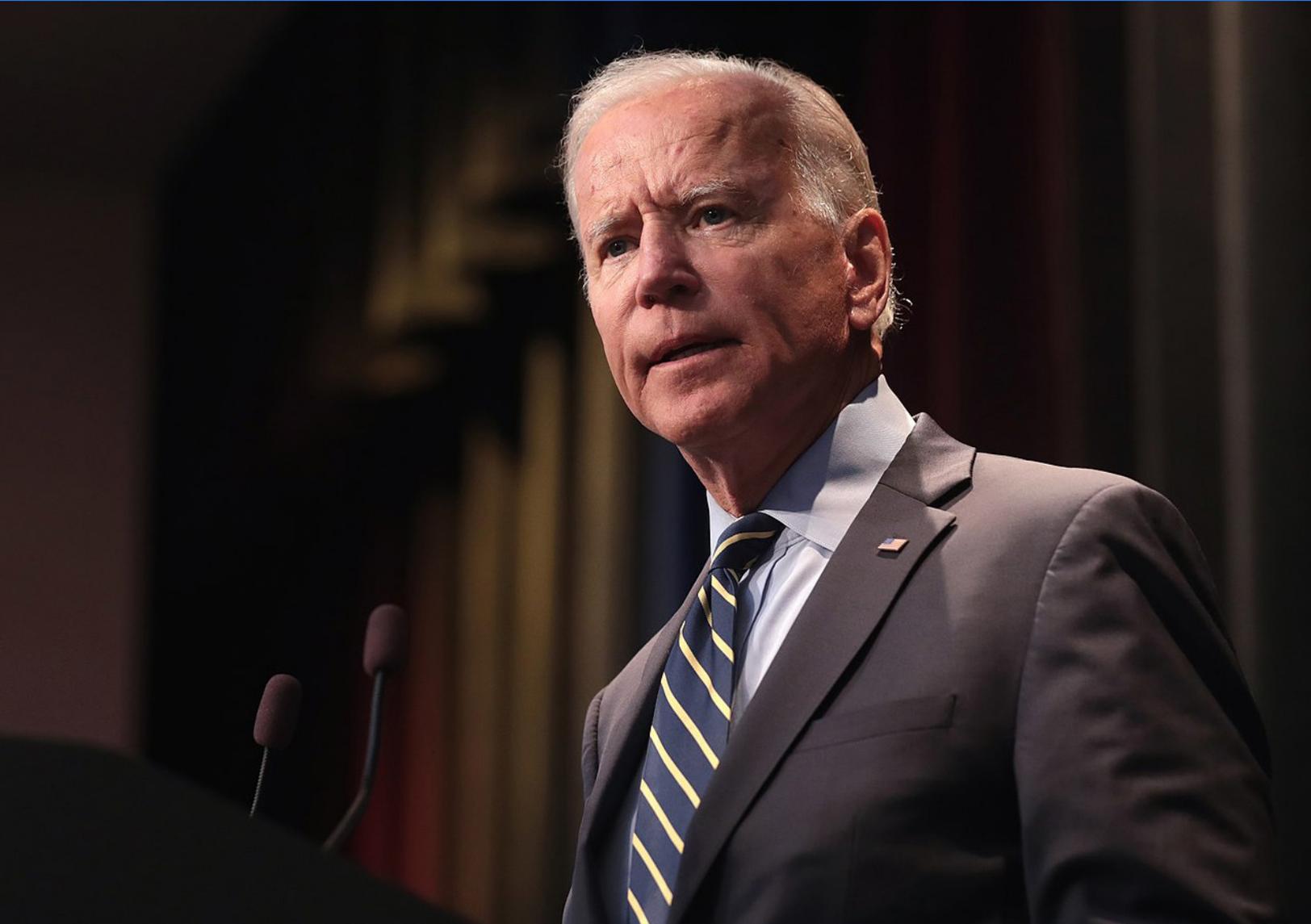




BIDEN'S DIS-UNITY TASK FORCE



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Biden's Dis-Unity Task Force

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- The Biden-Sanders Unity Task Force recommendations, if enacted, would be the largest expansion of the federal government in history.
- Although the Biden-Sanders Unity Task Force report is framed as representing views from across the Democrats, the recommendations found in the report are tilted toward the far-left of the Democratic Party and its special interest constituencies.
- Many of the recommendations reflect policy positions taken by President Joe Biden on the campaign trail. These include substantial individual and corporate income tax increases, crippling environmental regulations, a so-called “public option” for health insurance that will eventually lead to “Medicare for All,” a \$15 per hour minimum wage that will burden businesses and hurt new and low-skilled workers, and student loan forgiveness.
- The results of the election do suggest that the close party lines in Congress make it unlikely that President Biden will get much of his agenda enacted.
- However, there is a significant concern that if Democrats win the Senate runoffs in Georgia, Democrats could attempt to push their massive tax increase and healthcare agenda through budget reconciliation, which bypasses the filibuster in the Senate.
- Many recommendations involve regulations. This will be particularly challenging because the main legislative remedy to cancel regulations, the Congressional Review Act, likely won't get traction in Congress.

Executive Summary:

Shortly after Sen. Bernie Sanders (I-Vt.) dropped out of the race for the Democratic presidential nomination in April 2020, and endorsed the presumptive nominee, former Vice President Joe Biden, Biden and Sanders announced the formation of a “unity task force” to bridge the divide between the Democratic Party establishment and the so-called “progressives” in the party ahead of the 2020 presidential election.

The final report of the Biden-Sanders Unity Task Force was released in July 2020. The recommendations found in the report function as a statement of principles of the Democratic Party on several policy issues, including energy and the environment, healthcare, education, and the economy.

1 <https://www.npr.org/2020/05/13/855203151/biden-and-sanders-announce-task-forces-to-find-party-unity-over-policy>

2 <https://joebiden.com/wp-content/uploads/2020/08/UNITY-TASK-FORCE-RECOMMENDATIONS.pdf>

The task force included notable Democratic or progressive voices, such as elected officials serving at the federal, state, or local level of government; former Clinton or Obama administration officials; influential outside organizations; and leftist economists or academics.

Some of the Biden-Sanders Unity Task Force member names are familiar. For some examples, former Secretary of State John Kerry, Rep. Alexandria Ocasio-Cortez (D-N.Y.), and former Environmental Protection Agency (EPA) Administrator Gina McCarthy helped produce the climate change recommendations. Rep. Karen Bass (D-Calif.) worked on economic recommendations while Rep. Marcia Fudge (D-Ohio), who is the designee for secretary of housing and urban development, worked on education. Rep. Pramila Jayapal (D-Wash.), the sponsor of the Medicare for All Act in the House, co-led the healthcare portion of the recommendations.

Unfamiliar names might be American Federation of Teachers President Randi Weingarten and National Education Association President Lily Eskelsen García. Both of these labor union leaders helped craft education recommendations. Another unfamiliar name may be economist Stephanie Kelton, a former advisor to Sen. Sanders' presidential campaign who is also one of the leading proponents of modern monetary theory and author of a recent book, *The Deficit Myth: Modern Monetary Theory and the Birth of the People's Economy*. Kelton worked to craft the economic recommendations.

The policy recommendations from Biden-Sanders Unity Task Force report are not, by any stretch of the imagination, center-left. The recommendations in the task force report represent the far-left base of the Democratic Party, the voices of which will likely pressure the incoming Biden administration and Democratic congressional leadership. It is truly remarkable that President Biden, who proposed \$11 trillion in new spending over ten years and \$3.3 trillion in tax increases, is not "progressive" enough for many Democrats.

Although the Biden-Sanders Unity Task Force report is framed as representing views from across the Democrats, the recommendations found in the report are, far more often than not, overwhelmingly tilted toward "progressives," meaning that there are dramatic expansions of government through massive increases in federal spending, higher taxes, and more regulation.

3 <https://thedispatch.com/p/joe-biden-has-an-11-trillion-spending>
4 <https://taxfoundation.org/joe-biden-tax-plan-2020/>

The Legislative Outlook

In a new Congress with incredibly tight margins in both the House and the Senate, it will be very difficult for President Joe Biden to move his legislative agenda. We do believe this means there will be a heavy emphasis on moving regulations through federal agencies rather than on the legislative process.

Still, the incoming Biden administration will lean on moderate Republicans to support elements of his legislative agenda for which there is bipartisan support. We also believe that elements of President Biden's agenda such as tax increases and certain aspects of healthcare could be passed through budget reconciliation. Budget reconciliation becomes a serious concern in the event that Democrats retake the majority in the Senate, albeit by a razor-thin margin, after January 5.

Budget reconciliation is a special, fast-track legislative process tied to a budget resolution that instructs specific committees to produce legislation tied directly to revenues, outlays, and/or the statutory limit on the debt held by the public. The process begins with the passage of a budget resolution with reconciliation instructions to committees to make changes based on certain dollar amounts.

Legislation that is produced from this process is given privilege in the Senate. This means the normal 60-vote cloture threshold to limit debate does not apply. Budget reconciliation cannot be used to make changes to Social Security. Policy changes that do not directly impact revenues and outlays will result in the legislation losing its privileged status in the Senate.

Although we cannot be certain, we believe it is likely that the incoming Biden administration and congressional Democrats will focus on additional COVID-19 relief, healthcare, tax increases, and transportation and infrastructure in the first two years of President Biden's term. Additional legislative issues that are highly likely to receive floor consideration are an increase in the minimum wage, pro-labor union initiatives, education and college affordability, and campaign finance reform and other election-related initiatives.

Although Democrats have threatened to eliminate the legislative filibuster outside special processes in which it does not apply, Sens. Joe Manchin (D-W.Va.), Angus King (I-Maine), Kyrsten Sinema (D-Ariz.), and Jon Tester (D-Mont.) have come out in opposition to such a change. This is not to say that there will not be an attempt to change the legislative filibuster in a way that negates its impact to some degree, nor are we predicting definitively that these four senators will oppose an effort if or when they are faced with a floor vote.

Energy and Environment

The recommendations of the Unity Climate Change Task Force are essentially the Green New Deal (GND). These recommendations, which begin with a commitment to rejoin the Paris Agreement, are more focused than the Green New Deal introduced by Rep. Ocasio-Cortez and represent the mainstream of today's Democratic Party.

The Paris Agreement is a climate accord that requires participating countries to reduce greenhouse gas emissions as part of an effort to prevent the global temperature from rising 2°C above pre-industrial levels. President Obama and his administration committed the United States to a reduction of 26 percent to 28 percent below 2005 levels by 2025. Although the Paris Agreement required a significant

commitment from the United States, the Obama administration did not submit it to the Senate for ratification. The reason is because the Senate would not have ratified the agreement.

In June 2017, President Donald Trump announced that he would withdraw the United States from the Paris Agreement. The United States formally withdrew from the Paris Agreement on November 4, 2020, the first possible date to do so. Additionally, the Trump administration ended the United States' contributions to the Green Climate Fund. The Obama administration \$1 billion of the \$3 billion committed to the fund before the payments were ended.

President Biden has already said that he plans to rejoin the Paris Agreement and the Green Climate Fund.

A March 2017 analysis by National Economic Research Associates (NERA) Economic Consulting found that the Paris Agreement would cost the economy more than \$1 trillion and 1.1 million industrial sector jobs by 2025 and \$3 trillion and 6.5 million industrial sector jobs by 2040. Total job losses would be 2.7 million in 2025. These figures were cited by President Trump and other critics of the Paris Agreement and, oddly, subject to fact checks despite the fact that the analysis literally states these figures.

The recommendations call for an elimination of carbon emissions from power plants by 2035 and for the United States to achieve net-zero greenhouse gas (GHG) emissions by 2050. This is not as bold as the Green New Deal, which called for net-zero GHG emissions on a global scale by 2050. Still, achieving net-zero GHG emissions could cost \$1 trillion annually, although proponents argue that the cost of doing nothing would be higher, which, obviously, is a counterfactual.

Although the United States' reliance on renewable energy has grown, renewables accounted for 17.6 percent of electricity generation in 2019 while nuclear was just under 20 percent. Fossil fuels accounted for 62.6 percent of electricity generation, the largest source being natural gas, followed by coal.

Carbon-capture and sequestration (CSS) technology has proven to be cost-prohibitive. Plant Ratcliffe in Kemper County, Mississippi was once hailed as an ideal "clean coal" plant. The Obama administration committed financial support to the project. The plant was supposed to cost \$2.4 billion and be in service by May 2014. However, the project was ended by the Mississippi Public Service Commission, which oversees utilities, in February 2018 after costs ballooned to \$7.5 billion. Plant Ratcliffe now burns only natural gas.

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- 5 <https://www.whitehouse.gov/briefings-statements/statement-president-trump-paris-climate-accord/>
 - 6 <https://www.nytimes.com/2020/11/04/climate/paris-climate-agreement-trump.html>
 - 7 <https://www.nytimes.com/interactive/2017/06/02/climate/trump-paris-green-climate-fund.html>
 - 8 <https://www.cnbc.com/2020/11/20/biden-to-rejoin-paris-climate-accord-heres-what-happens-next-.html>
 - 9 <https://www.cbsnews.com/news/paris-climate-accord-biden-rejoin-president/>
 - 10 <http://accf.org/wp-content/uploads/2017/03/170316-NERA-ACCF-Full-Report.pdf>
 - 11 <https://www.bloomberg.com/news/articles/2019-05-13/making-america-carbon-neutral-could-cost-1-trillion-a-year>
 - 12 <https://www.nytimes.com/2016/07/05/science/kemper-coal-mississippi.html>

Some would point to the NET Power plant in La Porte, Texas, which produces no emissions and cost only \$150 million to build. However, this fossil fuel-burning plant has limitations, as it can produce only 25 megawatts of electricity; enough to power approximately 25,000 homes. Needless to say, this type of power plant, while promising, has a long way to go to become a viable alternative.

The recommendations include significant increases in spending to expand solar and wind; modernize the energy grid; and transition school buses and federal, state, and local vehicles to zero-emission vehicles over five years.

There would be additional spending increases for the Department of Housing and Urban Development’s Housing Trust Fund, the Department of Energy’s Weatherization Assistance Program, the Department of Agriculture’s Rural Utilities Service, the installation of at least 500,000 charging stations for electric vehicles, and the creation of an “environmental justice fund.”

Additional priorities include stricter national corporate average fuel economy (CAFE) standards for vehicles, “buy clean” and “buy American” standards, a national goal of net-zero GHG emissions for new buildings by 2030, and ratification of the Kigali Amendment to the Montreal Protocol to phase out hydrofluorocarbons (HFCs).

Although this is not an exhaustive presentation of the recommendations, this section highlights the more extreme proposals. Of course, the narrative of certain elements will be that this is a jobs program while others are necessary steps to save the environment. We are not arguing whether anthropogenic climate change exists.

We are, however, saying that these proposals would have a significant impact on the lives of Americans, hurt the economy, reduce the number of jobs available, and increase energy costs. Few countries are meeting their targets under the Paris Agreement, and its success was questionable from the start.

Healthcare

The recommendations on the economy include recommendations specific to COVID-19 relief, as well as general health insurance-related policies. We denote the difference between health insurance and healthcare, as much of the policy discussion in Washington has little to do with healthcare and is more focused on health insurance coverage and who pays for what.

Because some elements of the COVID-19 relief are covered in the next section, we are going to focus entirely on the general health insurance proposals. The most notable element in these recommendations is the creation of a public option, likely through Medicare, administered by the Centers for Medicare and Medicaid Services (CMS). There would be no

13 <https://mspolicy.org/two-years-since-kemper-clean-coal-project-ended/>

14 <https://www.inc.com/kevin-j-ryan/net-power-zero-emissions-plant-global-warming.html>

15 <https://climateactiontracker.org/countries/>

16 <https://reason.com/2017/06/06/paris-climate-agreement-wasnt-going-to-s/>

deductibles for individuals who choose the public option or are enrolled in it automatically.

As we have explained previously, the goal of a public option is to transition Americans to a single-payer, Medicare for all health insurance system in which competition with Medicare is expressly unlawful. (Section 107 of the Medicare for All Act explicitly forbids competition with Medicare.) A public option puts Medicare in direct competition with private health insurance companies, undercutting them because of Medicare's lower payment rates. The recommendations also include a proposal to lower the Medicare eligibility age to 60. This means that 20.6 million more people would be eligible for Medicare over the next five years.

Democrats propose to allow states to seek waivers to explore "statewide universal health care approaches." A couple of states have already attempted this. Between 2011 and 2014, Vermont tried to implement a statewide single-payer health insurance system called "Green Mountain Care." The plan was scrapped because the cost, as well as the significant tax increases needed to finance the program. California has also tried this in 2017 through "Healthy California" and found the costs staggering. There is talk, however, of California reviving this plan.

Although decoupling health insurance from employment is a policy idea that has merit, Democrats would do so, without a detailed explanation, to allow Americans to enter the nongroup market to purchase health insurance on the exchange, including the public option. The recommendations also include eliminating the 400 percent of the federal poverty level (FPL) income cap to receive premium tax credits for health insurance coverage available on the exchange. Instead, an individual's responsibility for premiums would be capped at 8.5 percent of income.

When it comes to prescription drugs, the recommendations reflect policy ideas that Democrats tried to advance during the 116th Congress through the Lower Drug Costs Now Act, although the Trump administration has given Democrats a win through the "Most Favored Nation" proposal even if they do not want to admit.

Democrats want price controls that are indexed prescription drug prices to the average of six countries: Australia, Canada, France, Germany, Japan, the United Kingdom. Under this scheme, the "maximum fair price" in the United States could not exceed 120 percent of the average international market (AIM). If a prescription drug does not have an AIM price, it could not exceed 85 percent of the average manufacturer price (AMP).

The CBO estimates that the Lower Drug Costs Now Act would increase prescription drug costs in the countries to which the United States indexes its prices, reduce pharmaceutical research and development, and reduce the number of new prescription drugs on the market by as many as 15 over ten years. (The context is that the FDA approves about 30 new drugs each year, so this is a 5 percent reduction of new drugs over a decade.) The White House Council of Economic Advisers estimated that the Lower Drug Costs Now Act would reduce

17 <https://www.congress.gov/bill/116th-congress/house-bill/1384/text>
18 <https://thefederalist.com/2019/06/26/chart-explains-democrats-will-kill-current-health-coverage/>
19 https://www.salon.com/2014/12/18/vermont_abandons_plan_for_single_payer_health_care/
20 <https://newrepublic.com/article/143650/killed-single-payer-california>
21 <https://www.pacificresearch.org/what-id-tell-californias-single-payer-commission/>

the number of new prescription drugs on the market by 100 over ten years.

The prescription drug recommendations include increasing scrutiny of anti-competitive patents and ending tax deductions for pharmaceutical advertising.

Among the other recommendations in the healthcare section are increases in several different aspects of public health spending and expansions of existing public health and healthcare programs. There is also mention of expanding access to mental health and substance abuse treatment. Although we may not agree with specific recommendations for mental health and substance abuse treatment, we do agree that this is an issue that needs to be addressed.

Economy

The recommendations on the economy include recommendations specific to COVID-19 relief, as well as general economic policies. The recommendations do not present anything new in terms of policy demands from progressives.

Racial equity is a major theme. This, in particular, is a concern considering that conservatives and libertarians agree that the playing field should be leveled for all, but guaranteed equal outcomes is something on which we'll never agree. Progress has been made. Before the pandemic hit the United States, African-American and Hispanic unemployment reached record lows. Opportunity zones, a program created by the Tax Cuts and Jobs Act of 2017, saw some success. Still, a lot of work remains to continue to level the playing field.

As it relates to COVID-19, Democrats want to include payroll support and work-sharing. Related to the payroll support proposal, this likely reflects a proposal pushed by Rep. Pramilla Jayapal (D-Wash.). Jayapal's proposal, the Paycheck Guarantee Act, would provide 100 percent of the salaries of employees who earn under \$100,000. It would also apply retroactively to incentivize employers to rehire laid-off or furloughed employees.

It is worth noting that Sen. Josh Hawley (R-Mo.) has floated a similar, though vague, proposal. Senator Hawley's proposal would have the federal government provide 80 percent of employees' wages "up to the national median wage" until the COVID-19 crisis has concluded. FreedomWorks has estimated that Senator Hawley's proposal could cost as much as \$2 trillion.

Democrats want to continue and expand the enhanced unemployment insurance benefits passed in the CARES Act and ensure that the benefits cover more workers. The CARES Act included a \$600 weekly federal subsidy for unemployment insurance benefits. The generosity of these benefits created concerns that workers who may have been laid off because of COVID-19 economic disruption would not seek employment when the economy

22 <https://www.cbo.gov/system/files/2019-10/hr3ltr.pdf>

23 <https://www.whitehouse.gov/articles/house-drug-pricing-bill-keep-100-lifesaving-drugs-american-patients/>

24 <https://www.cnbc.com/2019/10/04/black-and-hispanic-unemployment-is-at-a-record-low.html>

25 <https://www.washingtonexaminer.com/opinion/op-eds/bipartisan-success-of-opportunity-zones-gives-trump-an-edge>

26 https://jayapal.house.gov/wp-content/uploads/2020/04/OnePager_Paycheck_Guarantee_Act_04092020.pdf

reopened. An analysis from the Becker Friedman Institute at the University of Chicago found that 68 percent of unemployed workers earn more on unemployment than in the workforce. The unemployment insurance provisions of the CARES Act expired at the end of July 2020.

Another aspect of pandemic relief that Democrats want to expand is the paid family and sick leave provisions of the Families First Coronavirus Response Act, passed in March 2020, to include 14 days of emergency leave for COVID-19 quarantines. These provisions, which expire at the end of 2020, mandate that businesses provide 12 weeks of family and medical leave for employees who have been on the job for at least 30 days. Businesses are required to provide two weeks of paid leave and ten weeks of leave at least two-thirds of the employee's normal pay while an employee is quarantined, caring for an at-risk family member who is quarantined, or caring for a child if his or her school or childcare provider has been closed. A separate bill provided an exemption for businesses with fewer than 50 employees.

The Families First Coronavirus Response Act includes a refundable tax credit to employees equal to 100 percent of family and medical leave and paid sick leave. Family and medical leave is capped at \$200 per day and \$10,000 per quarter while sick leave is capped at \$511 per day for certain qualified reasons and \$200 per for others.

Other COVID-19 recommendations include requiring employers to maintain health and retirement benefits provided to workers, increasing spending for public health to create more jobs in this sector, increasing spending for schools in low-income areas and federal child care centers, provide rent and mortgage assistance programs for those impacted by COVID-19, increasing funding for municipal broadband, and preventing states from blocking municipal broadband.

On the healthcare side of COVID-19, recommendations include “free” treatment for COVID-19 patients, covering COBRA insurance for qualified workers, expand premium tax credits for nongroup health insurance, automatic enrollment into a public health insurance option for COBRA eligibility expires, and increased funding to states for Medicaid.

Related to the broader economic recommendations, there is much to unpack. As with other sections, we will focus on the highlights. Again, there is a heavy focus on racial equity. One of the priorities is the passage of the Commission to Study and Develop Reparation Proposals for African-Americans Act to create a commission to study slavery and racial discrimination in the United States from 1619 to the present and propose solutions to address these effects. Although the Commission to Study and Develop Reparation Proposals for African-Americans Act does not itself propose reparations, one recent estimate shows that reparations could cost as much as \$12 trillion.

There are a host of other policy proposals to address discrimination, but one that sticks

27 https://www.washingtonpost.com/opinions/congress-should-protect-every-job-in-the-country-during-this-crisis/2020/04/08/5f48e1ac-79cd-11ea-9bee-c5bf9d2e3288_story.html

28 <https://www.freedomworks.org/content/wage-subsidies-multi-trillion-dollar-market-distortion-america-cannot-afford>

29 <https://bfi.uchicago.edu/insight/blog/ui-calculator/>

out is amending the Federal Reserve Act to include racial equality as part of the Federal Reserve’s mandate. Currently, the Federal Reserve has a dual mandate of price stability and full employment.

Again, we do not disagree that more needs to be done to level the playing field so that every American, regardless of his or her race or gender, has the opportunity to succeed. However, we believe barriers should be knocked down and more choices should be available to Americans rather than more regulations or spending.

On the taxes and business side, Democrats want to make the individual tax code more progressive. The reality is that the Tax Cuts and Jobs Act of 2018 made the tax code more progressive.

According to data from the Internal Revenue Service (IRS), the top 1 percent of income earners paid 38.5 percent of all income taxes in tax year 2017, the last year of data before the Tax Cuts and Jobs Act went into effect. Although the Tax Cuts and Jobs Act was maligned as a “tax cut for the rich,” the top 1 percent paid 40 percent of all income taxes in tax year 2018, which reflects the first year of tax returns under the individual tax cuts and reforms. The share of income taxes paid by the bottom 50 percent of income earners declined from 3.1 percent in tax year 2017 to 2.9 percent in tax year 2018.

The proposed tax increases are not limited to the individual income tax. Democrats are also proposing an expansion of the 6.2 percent payroll tax on higher-income earners, as well as the matching 6.2 percent payroll tax on employers, to pay for increases in benefits and to bring Social Security into financial solvency.

There are no specifics mentioned in the recommendations, but President Biden has proposed subjecting incomes of \$400,000 or more to the payroll tax. As of 2020, only wages at or under \$137,700. Because the wage base is tied to the national wage index, over time, the wage base would be completely eliminated and all wages would be subject to the payroll tax. This is similar to provisions of the Social Security 2100 Act, which has the support of the vast majority of House Democrats in the 116th Congress.

The recommendations also make very clear that “Democrats will reject every effort to cut, privatize, or weaken Social Security, including attempts to raise the retirement age, diminish benefits by cutting cost-of-living adjustments, or reduce earned benefits.” Clearly, the days in which then-President Bill Clinton and then-Sen. Harry Reid (D-Nevada) at least considered some privatization of Social Security are gone.

Democrats also want to increase the corporate income tax, although they do not propose a specific rate. President Biden has proposed increasing the corporate income tax rate to 28 percent from the current 21 percent and creating a corporate minimum tax while also eliminating or reducing many deductions and tax credits.

30 <https://www.cnn.com/2020/08/12/slavery-reparations-cost-us-government-10-to-12-trillion.html>
31 <https://www.chicagofed.org/research/dual-mandate/dual-mandate>
32 <https://www.freedomworks.org/content/bidens-tax-plan-would-make-america-less-prosperous>
33 <https://www.ntu.org/library/doclib/2020/12/2018-who-pays-1-.pdf>
34 <https://www.cato.org/publications/commentary/clinton-wanted-social-security-privatized>

Among the labor recommendations is \$15 per hour minimum wage. Currently, the federal minimum wage under the Fair Labor Standards Act is \$7.25 per hour. In 2017, only 2.3 percent of workers earned the minimum wage or less, about half of whom are between the ages of 16 and 24. These are mostly young and low-skill individuals who need to develop job skills while in high school or college before a career.

The Congressional Budget Office (CBO) has produced a median estimate for a phased increase in the federal minimum wage to \$15 per hour. The CBO concluded that an estimated 1.3 million workers would be jobless in five years as a result. On the high end of the CBO's estimates, as many as 3.7 million workers would be jobless in five years.

Another element of the Democrats' tax recommendations is increasing the estate tax. Again, no specific percentage is mentioned, only a vague mention of being "raised back to the historical norm." We assume this means Democrats want to increase the estate tax from its current 40 percent to 55 percent, which was the top rate between 1984 and 2001. The exemption from the estate tax in tax year 2021 is \$11.7 million for an individual and \$23.4 for a married couple. Estates that exceed the exemption amount are subject to tax rates between 18 percent for estates \$10,000 and under and 40 percent for estates exceeding \$1 million. President Biden has proposed an estate tax of 45 percent with a \$3 million exemption.

We also know that increases in the minimum wage in some municipalities across the country have had adverse effects on workers. For example, a June 2017 study found that "the Seattle Minimum Wage Ordinance caused hours worked by low-skilled workers (i.e., those earning under \$19 per hour) to fall by 6.9 percent during the three quarters when the minimum wage was \$13, resulting in a loss of around 3 million hours worked per calendar quarter and more than 5,000 jobs."

Other labor recommendations include enacting a domestic workers' bill of rights, a right for public-sector workers to collectively organize, promoting collective bargaining, continuing 12- weeks of paid family and medical leave, and creating universal pre-K for three- and four-year-olds.

Other general economic recommendations include increasing the number of affordable housing units, increasing funding for the Housing Trust Fund, enacting a homeowners and renters' bill of rights, combating gentrification, boosting the Consumer Financial Protection Bureau, negotiating trade agreements that include enforceable labor and environmental standards, require regulators to consider racial equal and labor market concerns when reviewing mergers, and protect public and private pensions. One other note

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- 35 <https://www.cato.org/publications/commentary/senator-reid-has-no-social-security-plan>
36 Senator Reid once said, "Most of us have no problem taking a small amount of the Social Security proceeds and putting it into the private sector." This is mentioned in the previous citation.
37 <https://taxfoundation.org/joe-biden-tax-plan-2020/>
38 <https://www.bls.gov/opub/reports/minimum-wage/2017/home.htm>
39 <https://www.cbo.gov/system/files/2019-07/CBO-55410-MinimumWage2019.pdf>
40 <https://www.irs.gov/pub/irs-soi/ninetyestate.pdf>
41 <https://www.forbes.com/sites/ashleaebeling/2020/10/26/irs-announces-higher-estate-and-gift-tax-limits-for-2021/>
42 https://www.nber.org/system/files/working_papers/w23532/w23532.pdf

is that Democrats want to strengthen the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This likely means repealing the bipartisan Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018.

Education

As is the case with other issues, the recommendations on education include recommendations specific to COVID-19 relief, as well as general education policy changes for K-12 education and higher education. The general themes are significant spending increases for public education, increased access to college and community college, student loan forgiveness, and strong opposition to school choice.

Before reading this section, it should be noted that K-12 per student spending varies by state. New York spends \$19,697 per student while Utah spends \$7,635. The national average is \$12,756 per student. About 8.5 cents on the dollar comes from the federal government. More than half of states have some form of educational choice option to parents and students. Seventeen states and the District of Columbia have school voucher programs for certain students.

Democrats want to create a universal pre-K program for three- and four-year olds and expand Head Start and Early Head Start. Universal pre-K has long-been a Democratic priority. Eric Boehm of Reason explains that “studies have found that most educational gains from early childhood education tend to wash out after a few years.” Specifically, a 2013 study front the Office of Planning, Research, and Evaluation at the Department of Health and Human Services found that “there were very few impacts found for either cohort in any of the four domains of cognitive, social-emotional, health and parenting practices” of Head Start, which promotes early learning, once children end 3rd grade.

Democrats make it clear that they oppose private school vouchers and other educational school choice “policies that divert taxpayer-funded resources away from the public school system.” It is worth pointing out that the DC Opportunity Scholarship Program, which is funded by Congress and allows more than 3,600 children to attend private school, has been a resounding success. According to Serving Our Children, which administers the program, shows that 82.5 percent of all scholarship recipients are African-American and roughly 12 percent are Hispanic. The average annual income for scholarship families is \$26,440 and 42 percent of students receive Supplemental Nutrition Assistance Program (SNAP) and/or Temporary Assistance for Needy Families (TANF) benefits.

Of course, this hostility toward school choice goes hand-in-hand with other recommendations that bolster teachers unions. Democrats would make it easier for teachers to organize and collectively bargain. They would also increase teacher pay and benefits. This is a state and local issue, not one that Congress should be dictating to states.

43 <https://www.edweek.org/policy-politics/map-how-much-money-each-state-spends-per-student>

44 <https://www.cbo.gov/topics/education>

45 <https://www.edchoice.org/school-choice/school-choice-in-america/>

46 <https://reason.com/2017/12/22/misguided-preschool-mandate-will-cost-dc/>

47 <https://www.acf.hhs.gov/opre/resource/third-grade-follow-up-to-the-head-start-impact-study-final-report>

Although there is mention of expanding career and technical education, magnet schools for science and the arts, and early college high school programs, there are not many details given. We tend to agree that these are important elements of education that tend to get overlooked, but these are predominately issues that are better addressed at the state and local level of government.

Democrats would seek to restrict funding for charter schools and subject charter schools to transparency standards that would increase disclosure of admissions practice, disciplinary procedures, and racial equity. Democrats would also ban for-profit charter schools.

When it comes to higher education, Democrats' recommendations tend to reflect those put forward by President Biden. Democrats would make college and university free to any student who comes from a family earning less than \$125,000 and make community college free to all students. In recent days, Senate Democratic Leader Chuck Schumer has urged President Biden to forgive up to \$50,000 of student loan debt per borrower. (The average student loan debt is \$30,000.) Keep in mind that Congress effectively nationalized student loans in the Health Care and Education Reconciliation Act of 2010.

As part of their COVID-19 response, Democrats would also forgive up to \$10,000 of student loan debt per borrower, prohibit interest on student loans for borrowers earning less than \$25,000 and limit interest at 5 percent for borrowers earning more than \$25,000, and allow student loans to be discharged from bankruptcy.

More government subsidies for college will make college more expensive. Granted, the expense will not fall on students or their parents; it will fall on taxpayers. A study from the Federal Reserve Bank of New York estimated that the cost of college rises by 40 cents to 60 cents for every dollar that the federal government spends on education.

Another problem is that as the number of people graduating from college increases, it diminishes the usefulness of a college degree. Bryan Caplan calls this "credential inflation." Caplan explains, "If everyone had a college degree, the result would be not great jobs for all, but runaway credential inflation. Trying to spread success with education spreads education but not success."

Other recommendations include increasing the amount for the child care and dependent tax credits, increasing spending for child care and compensation for child care workers, expand free meal programs, expand community schools, reinstate the Department of Education's guidance protecting transgender students, and ending high-states testing.

48 <https://edreform.com/2017/03/3-things-you-need-to-know-about-the-dc-opportunity-scholarship-program/>

49 <https://servingourchildrenc.org/wp-content/uploads/2020/01/DC-OSP-Program-Fact-Sheet-SY-2019-20-1.pdf>

50 <https://www.cnbc.com/2020/12/07/schumer-calls-on-biden-to-cancel-50000-in-student-debt-per-borrower.html>

51 <https://www.usnews.com/education/best-colleges/paying-for-college/articles/see-how-student-loan-borrowing-has-risen-in-10-years>

52 https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr733.pdf

Conclusion

The results of House and Senate elections in 2020 largely guarantee that legislative initiatives with the vast majority of these recommendations will not pass both chambers of Congress. Even in a Senate in which party control is evenly split, with Vice President Kamala Harris casting tie-breaking votes, it is highly unlikely that the current 60-vote threshold needed to limit debate on legislation will be lowered to a simple majority considering that at least four senators who caucus with Democrats have stated their opposition to eliminating this requirement.

However, many recommendations can be implemented through the regulatory process. This fact is particularly challenging considering that the era of divided government in which we find ourselves renders the Congressional Review Act moot.

There is also another serious concern: budget reconciliation.

Budget reconciliation is a special, fast-track legislative process tied to a budget resolution that instructs specific committees to produce legislation tied directly to revenues, outlays, and/or the statutory limit on the debt held by the public. The process begins with the passage of a budget resolution with reconciliation instructions to committees to make changes based on certain dollar amounts.

Legislation that is produced from this process is given privilege in the Senate. This means the normal 60-vote cloture threshold to limit debate does not apply. Budget reconciliation cannot be used to make changes to Social Security. Policy changes that do not directly impact revenues and outlays will result in the legislation losing its privileged status in the Senate. Additionally, Senate rules require an open amendment process, known as “vote-a-rama,” in which senators may offer amendments throughout the time allotted for debate.

This process was used twice in the House in 2017 during the 115th Congress. The first use was for the American Health Care Act, which stalled in the Senate. The second was for the Tax Cuts and Jobs Act, which was passed and signed into law. Prior to 2017, the process was used to pass the Economic Growth and Tax Relief Reconciliation Act of 2001, the Jobs and Growth Tax Relief Reconciliation Act of 2003, and the Health Care and Education Reconciliation Act of 2010.

There are rumors that budget reconciliation is being considered to enact President Biden's tax proposals depending on which party controls the Senate in early January 2021. If Democrats have majorities, even slim majorities, it is possible that Congress could pass the tax proposals, as well as health insurance proposals, through budget reconciliation.

This is why the Biden-Sanders Unity Task Force recommendations must be taken seriously. So-called “progressives” inside the House and Senate Democratic caucuses on Capitol Hill and the influence that leftist outside groups have significant influence and will wield it when they can. Additionally, a process exists even in a Senate in which the filibuster remains intact to advance certain elements of President Biden's agenda.

53 <https://www.theatlantic.com/magazine/archive/2018/01/whats-college-good-for/546590/>