



Conservatives go against principles by meddling in education

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Almost every public policy area gets caught up in federal tax plans, including education. That should not be: The Constitution only gives the federal government specific, enumerated powers, and the feds aren't supposed to make policy unrelated to those. As conservatives have often pointed out, education is not mentioned in that document at all.

So why are some conservatives trying to make education policy through the tax code, working to expand tax-favored savings — 529 plans — for education expenses and seeking new charges on a tiny subset of colleges?

A big goal of conservatives — and any realist about the mind-numbing tax code — is simplification, and some education-affecting components we've seen in the major tax bills would indeed simplify and move Washington more in line with the Constitution.

Ending deductions for state and local taxes, which go heavily toward public schooling, would make the ramifications of tax policies more clear while reinforcing that, constitutionally, federal and state governments are supposed to be largely independent.

Alas, those are reportedly curbed in the final GOP bill. Another hotly contested proposal — eliminating deductions for student loan interest payments — would rightly take the federal thumb off the scale to spend on schooling. Unfortunately, that deduction reportedly survives in the Republican compromise.

Expanding 529 plans to include private and homeschooling expenses — they currently exempt account earnings from federal taxation only if used for higher education outlays — would not meaningfully simplify the tax code. Instead, it would likely increase federal meddling.

The intent behind the expansion is to increase the amount of help parents can get to pay for education expenses when their local public schools don't deliver what they want. Overall, it's a laudable goal. The tax code complication would be mitigated somewhat by ending the rarely used, smaller Coverdell savings program.

But if enacted — and there is no indication the expansion is out of the final bill — the 529 rules would have to be broadened to identify and verify use on “qualified” K-12 expenses, which not only would complicate taxation, but would threaten to impose new rules and regulations on private schools, likely cramping their ability to be truly different, meaningful choices over time.

It is not hard to imagine rules being applied such that only tuition at schools using federally approved curricula or schools using state-standardized tests would qualify.

Instituting a new 1.4-percent excise tax on private colleges with big endowments, also apparently in the final GOP bill, would arguably be an even more egregious misuse of the tax code.

Originally proposed in the House to target private colleges and universities with endowments worth \$100,000 or more per student — already a small group — then increased to \$250,000, the Senate bill would target colleges with \$500,000 or more per student, or about 30 institutions — out of thousands.

Part of the likely motive for this isn't necessarily bad: Colleges and universities are often flush with cash, yet their prices continue to grow precipitously. Some legislators want to send the message that that is not okay, especially given that in one way or another hundreds-of-billions of those dollars come from Washington.

But what does scapegoating Harvard, Stanford, or smaller schools like Grinnell College, do to address the root problem: Federal politicians throw money at higher ed despite abundant evidence it fuels skyrocketing prices, painful loan defaults and astonishing “education” excess?

Almost the whole system is morbidly obese from free-flowing federal dough, but either politicians don't know that reality, or it is too hard politically to stop playing Santa Claus. So, conservatives attack wealthy private schools they also, it happens, tend to dislike because of their high-profile, lefty leanings instead of shrinking hurtful student “aid.”

Of course, they are not alone in scapegoating: Liberals go after for-profit schools that are also just one part of the much bigger, troubled system.

To keep in line with tax simplification and the Constitution, conservatives should look to eliminate the 529 “incentive,” not expand it to K-12 education. They should also resist the temptation to look “tough” on the cash-hoovering Ivory Tower by taxing the tip of its flagpole.

Instead, they should do what the Constitution — and good policy — demand: Get out of education completely.

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