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## Experts Give Ryan Plan Mix of Raves, Pans, Middling Reviews

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Commentary by David Rapp | April 05, 2011 07:03PM ET

(Bloomberg) -- The deficit-cutting plan unveiled today by U.S. Representative Paul Ryan drew almost as much attention and commentary as the president's budget, a rarity for a single member of Congress and not seen since Newt Gingrich's heyday as House speaker 16 years ago.

Ryan, a Republican from Wisconsin, is chairman of the House Budget Committee, a position of some influence in normal times, and of unusual influence in the newly configured House Republican power structure. House Republicans have given their budget chairman unilateral power to set budget guidelines for the current fiscal year, as well as added power to set terms for the budget process for the fiscal year beginning Oct. 1.

Bloomberg Government asked budget and economic experts to give reactions to Ryan's long-term budget vision, which would cut spending by \$6 trillion over the next 10 years, overhaul Medicare and Medicaid health-care programs for the elderly and the poor, and put a 25 percent cap on corporate and individual tax rates. Here are excerpts, edited for length and style:

### RAVES

 Daniel J. Mitchell, [Cato Institute](#)

The two most exciting parts of Paul Ryan's plan are entitlement reform and tax reform.

The long-run fiscal threat to America is entitlement spending. Ryan's plan will address this crisis by block-granting Medicaid to the states (repeating the success of the welfare reform legislation of the 1990s) and transforming Medicare for future retirees into a "premium-support" plan (similar to what was proposed as part of the bipartisan Domenici-Rivlin Debt Reduction Task Force).



America's tax system is a complicated disgrace that manages to both undermine growth and promote corruption. The answer is a simple and fair flat tax, and Ryan's plan will take an important step in that direction with lower tax rates, less double taxation of saving and investment, and fewer distorting loopholes.

(Daniel J. Mitchell is a senior fellow at the Cato Institute in Washington. See [full comments here](#).)

 Alison Acosta Fraser, [Heritage Foundation](#)

Chairman Ryan's path toward solving the twin crises of spending and debt is achieved through real spending reductions and reforms -- not new taxes or higher rates. The proposal includes welcome changes to the budget process, which, after all, is partially responsible for allowing spending to explode.

Ryan's budget resolution proposal brings non-security discretionary spending back below 2008 levels and then freezes it for five years. The budget cuts corporate welfare, rolls back Pell grants, reduces the size of the federal bureaucracy by 10 percent and reforms federal workers' compensation. It also reins in mandatory spending by addressing food stamp spending and trimming farm subsidy programs that predominantly go to large agribusinesses; they cost taxpayers \$25 billion annually even as farm incomes climb.

[Click here](#) to read Heritage's Economic Analysis of the House Budget Resolution by the Center for Data Analysis.

(Alison Acosta Fraser oversees Heritage Foundation research on domestic economic issues including federal spending, taxes, energy and environment, retirement savings and regulation. See [full comments here](#).)

### PANS

 Karen Dolen, [Institute for Policy Studies](#)

Under the guise of debt reduction, the chairman of the House Budget Committee's budget proposal would take from the already poor, give to the already rich and attempt to achieve debt reduction not by cutting real costs, but by privatizing entitlement programs and shifting costs from the wealthy and corporations to struggling states, seniors, disabled, sick and low-income Americans. And the revenue-raising necessary for serious debt reduction is glaringly absent, with proposals instead to actually decrease tax revenue from those most able to pay.

(Karen Dolen is a fellow at the nonprofit Institute for Policy Studies in Washington and director of the Cities for Progress and Cities for Peace projects. See [full comments here](#).)

 Jim Kessler, [Third Way](#)

This is Chairman Ryan's second opportunity to move the fiscal debate towards a bipartisan, common ground set of solutions -- the only hope of controlling our debt. The first time up he swung and missed -- voting "NO" on Bowles-Simpson as a [Debt] Commission member. Unfortunately his 2012 budget is another whiff at bat, as he knows full well

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that there is no chance that Congress will block grant Medicaid, voucherize Medicare or cut the top income tax rate to 25-percent.

For Chairman Ryan, this is strike two -- a real setback to getting a centrist deal through the House.

(Jim Kessler is vice president of the non-profit Third Way in Washington. See [full comments here](#).)

John Irons, [Economic Policy Institute](#)

Paul Ryan released a proposed budget for fiscal year 2012 that rehashes failed economic thinking and the standard wish-list of right-wing policies. This budget is not a serious attempt to govern, but a warming over of long-dead economic proposals.

The budget, among other things, includes a plan to privatize Medicare by forcing recipients to buy insurance on the open market, to gut Medicaid by shifting costs to states and reducing funding, to cut taxes on corporations and wealthy individuals and to reduce the nation's ability to make needed investments by capping overall levels of federal spending. The plan would not only put the fragile recovery at risk, but it would also undermine economic growth and job creation for years.

(John Irons is research and policy director at the nonprofit Economic Policy Institute in Washington. [Full statement here](#).)

David Madland and Christian E. Weller, [Center for American Progress](#)

The House Republican budget proposal released today by Paul Ryan largely avoids discussing Social Security, instead calling for President Barack Obama to submit a plan to Congress for a vote.

But what is in that budget plan released today is the clear implication that Social Security should be brought into balance entirely through benefit cuts. Raising the cap above which earnings are not taxed -- which today stands at \$106,800 -- seems to be off the table in Ryan's plan. He argues that lifting the cap could do "profound economic damage." He generally has positive things to say about the president's Fiscal Commission proposal for Social Security reform, but argues that some of its proposals "particularly on the tax side, are of debatable merit." All of which suggests that Ryan wants to bring Social Security into balance, solely through benefit cuts.

In short, it looks like Republicans are once again trying to cut Social Security benefits.

(David Madland is director of the American Worker Project at the Center for American Progress, and Christian E. Weller is a senior fellow at the center. [Full comments here](#).)

Robert Greenstein [Center for Budget and Policy Priorities](#)

House Budget Committee Chairman Paul Ryan's budget plan would get about two-thirds of its more than \$4 trillion in budget cuts over 10 years from programs that serve people of limited means, which violates basic principles of fairness and stands a core principle of President Obama's fiscal commission on its head.

When faced with the choice of which specific programs to cut, policymakers are unlikely to cut much from a number of non-low-income programs in these budget categories that are popular, such as veterans' disability compensation and the FBI. That means that other programs -- including low-income programs -- would have to be cut by more than their proportionate share.

(Robert Greenstein is founder and president of the nonprofit Center on Budget and Policy Priorities in Washington. See [full comments here](#).)

#### MIXED REVIEWS

Pete Domenici and Alice Rivlin, [Bipartisan Policy Center](#)



We applaud House Budget Committee Chairman Paul Ryan for putting forth a detailed budget plan, which rightly addresses Medicare and Medicaid. Chairman Ryan's ongoing leadership in facing up to our looming debt crisis remains critical as the debate moves forward. While we don't agree with all his specific proposals, we admire his courage in aggressively taking on the major entitlement programs. Chairman Ryan has accurately acknowledged that we must address the largest drivers of our nation's debt if we want to restore fiscal responsibility.

While Chairman Ryan's budget includes a comprehensive plan on spending, as well as proposals for tax reform, it fails to address the need for new revenue. [A] bipartisan, comprehensive debt reduction plan, which includes both spending and revenue options, will be required to stabilize the nation's debt. We believe that new revenue can be generated with a simpler, fairer tax system favorable to economic growth and job creation.

(Pete Domenici, a Republican from New Mexico, is former chairman of the Senate Budget Committee. Alice Rivlin is former White House budget director under President Bill Clinton. The two were co-chairs of the Bipartisan Policy Center's Debt Reduction Task Force. [Full statement here](#).)

Iian Murray [Competitive Enterprise Institute](#)

This morning, Paul Ryan unveiled a bold proposal to trim trillions off America's bloated budget. It represents the only serious proposal out there to get America's finances back in order, and as such he is to be congratulated for his courage and foresight.

However, as Margaret Thatcher found in the U.K. during the 1980s, spending is only half the battle. The nature of the bureaucratic beast is that it will expand again. That's why President Reagan's simplification of the tax code wore off, and we now have a far more complex tax code than we did before tax reform.

We therefore need a similarly comprehensive reform of the federal government that will address what might be termed the "supply side" of the federal bureaucracy, to prevent it getting in the way of an entrepreneur-led recovery.

A genuine public sector reform package must be as sweeping and comprehensive as Ryan's spending reform package.

Only then will America be on the road to genuine, sustainable recovery.

(Ilan Murray is vice president of the nonprofit Competitive Enterprise Institute in Washington. See [full comments here](#).)

Maya MacGuineas [Committee for a Responsible Federal Budget](#)

This is a bold budget, and Congressman Ryan should be congratulated for putting forward structural budget reforms to address our unsustainable debt path. However, while the proposal deserves praise for being bold, the national discussion has moved beyond just finding a plan with sufficient savings to finding one that can generate enough support to move forward. All parts of the budget, including defense and revenues, will have to be part of a budget deal.

(Maya MacGuineas is president of the nonprofit Committee for a Responsible Federal Budget in Washington. See [full comments here](#).)

Robert Bixby [Concord Coalition](#)

The deficit reduction goal of Chairman Ryan's proposal fits the magnitude of the fiscal challenge we face. He does not pretend that we can address this challenge with discretionary spending cuts alone. By including major savings from entitlement programs, primarily Medicare and Medicaid, he has grabbed the "third rail" of politics and clearly identified the main source of projected federal program growth. By acknowledging the fact that we spend money through the tax code, and recognizing how crucial it will be to close loopholes and broaden the revenue base, this budget plan takes an important step towards sensible tax policy.

By declining to use any of the savings from base-broadening tax policy to help reduce the deficit, Ryan's proposal fails to take full advantage of an important reform strategy and misses a key opportunity to forge bipartisan consensus.

(Robert Bixby is executive director of the nonprofit, nonpartisan Concord Coalition. [Full statement here](#).)

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