

CONGRESSIONAL FELLOWSHIP PROGRAM

A Troika of Fellows

Harun Dogo, *Pardee RAND Graduate School*

David Sklar, *University of New Mexico Medical School*

Chris Tausanovitch, *Stanford University*

This year was an unusual one for the APSA Congressional Fellowship Program—three fellows were placed with the same congressional office. The fact that three fellows, each with very different backgrounds, were drawn to the Senate Finance Committee, says something about the unique role that the committee plays in congressional policymaking. As one of the “A”s of the four “Super-A” committees, along with Appropriations, Armed Services, and Foreign Relations, the Senate Finance Committee is one of the committee assignments most sought after by Senators. Its vast policy jurisdiction enables members to affect many different parts of the economy, society, and government. In addition to Chairman Baucus, the majority membership of the committee includes chairs of six other committees: Senators John Kerry of Foreign Relations; Jeff Bingaman of Energy and Natural Resources; John D. Rockefeller of Commerce, Science, and Transportation; Debbie Stabenow of Agriculture and Forestry; Kent Conrad of Budget; and Chuck Schumer who serves both as chairman of the Rules Committee and the Democratic Policy and Communications Center. On the minority side, in addition to the ranking member, Senator Orrin Hatch, the panel includes three ranking members of other committees: Senators Chuck Grassley of Judiciary, Olympia Snowe of Small Business, and Mike Enzi of Health, Education, Labor, and Pensions. They serve alongside with the Republican Whip Senator Jon Kyl, the Republican Conference Chair John Thune, and the Republican Senatorial Campaign Committee Chairman John Cornyn of Texas. This concentration of senatorial experience testifies to the importance of the work undertaken by the Finance Committee.

Like its counterpart, the House Committee on Ways and Means, the Senate Finance Committee is best known for its tax writing role. The “tax writing” committees have jurisdiction over any law affecting the Internal Revenue Code. This role allows the committee to play a pivotal role in deciding how the federal government is funded. It also allows the committee to play a role in deciding what kinds of activities will be exempt from taxes. Since the sixteenth amendment to the Constitution was ratified, allowing the federal government to levy an income tax, exceptions to this tax have been as important as the tax itself. The committee has used this power to provide financing of policies affecting everything from childcare, education, and adoption to energy, innovation, and agriculture. Such “tax expenditures” are

estimated by the Joint Committee on Taxation to be equivalent to more than \$1 trillion in spending, exceeding the directly appropriated discretionary budget.

Furthermore, the committee is responsible for overseeing 49% of direct federal spending programs through mandatory expenditures not tied to an annual appropriation, including Social Security (\$701 billion), Medicare/Medicaid (\$793 billion), and federal debt servicing (\$197 billion). The committee also sets tariffs on trade and writes implementing legislation for international trade treaties. Lastly, the committee exercises oversight of and considers nominations for a number of government agencies. Political appointees in the Departments of Treasury, Commerce, Health and Human Services, Homeland Security, the United States Trade Representative, the Pension Benefit Guarantee Corporation, Social Security Administration, US International Trade Commission, the judges of the US Tax Court, and assorted other bodies are confirmed through the committee. As the committee has jurisdiction over the entire revenue side of the federal budget ledger and over 49% of spending, it is not surprising that it is the focal point of debate on our nation’s fiscal challenges. Indeed, the committee members and staff formed the backbone of the Senate participation in the activities of the Joint Select Committee on Deficit Reduction in late 2011. The committee’s Chief Minority Tax Counsel and Minority Deputy Staff Director, Mark Prater, served as the staff director for this “Supercommittee.”

With a jurisdiction over so many areas of policy, it is not surprising that the committee is staffed by a very experienced group of policy experts. Among the staff you can find former law firm partners, managing directors of major investment banks, professors at top law schools, a former assistant secretary of energy, senior advisers to the members of the Cabinet, and former senior White House staff. On the majority side, the staff is organized around six teams: tax, trade, health care, social security and budget, oversight and investigations, and finally communications and press. These teams are all under the supervision of the majority staff director Russ Sullivan. His management approach is best illustrated by the fact that, unlike most staff directors, he chooses to forgo the spacious office earmarked for the job and instead can be found working behind a desk no larger than that of an intern in a workspace shared with three junior staff.

While the majority and the minority often differ on matters of policy matters, the two staffs work very closely on matters of process. The tone for this close working relationship is set by Chairman Baucus and Ranking Member Hatch who encourage the staffs to work together. While the increasing polarization on issues in the committee’s jurisdiction, such as taxes and entitlements, certainly does not make achieving bipartisan consensus easy, members of the committee operate with respect. Committee markups are contested but not acrimonious.

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David Sklar, MD, is associate dean of graduate medical education and professor at the University of New Mexico Medical School. He has been recently appointed as editor in chief of the journal *Academic Medicine*, from the Association of American Medical Colleges. He can be reached at dsklar@salvd.unm.edu.

Chris Tausanovitch is a PhD candidate in political science at Stanford University. He can be reached at ctausanovitch@ucla.edu.

The majority staff of the Finance Committee takes an active approach to recruiting fellows, and regularly opens its doors to visitors. Its fellows can choose one of three fellowship models: focused, scattered, or hybrid. The fellows who elect a focused-type fellowship generally work on one policy area or issue; scattered fellows work across a number of areas that may include assignments with the chairman's personal office; and hybrid fellows may place particular emphasis in an otherwise scattered portfolio. The three APSA fellows hosted by the committee in 2011–12, David Sklar, Harun Dogo, and Chris Tausanovitch, come from very different backgrounds and their fellowship experiences each aligned with a different model.

FOCUSED FELLOWSHIP

David Sklar, MD, is a professor in the department of emergency medicine at the University of New Mexico. By seeking a placement with the Senate Finance Committee, he wanted to learn about health-care financing, particularly when it came to Medicare and Medicaid. As a practicing physician and leader in the area of graduate medical education, he wanted to understand the process by which decisions were made concerning graduate medical education funding and how the payment system for physicians might be changed as we sought to reduce the cost of health care without reducing the quality or access to care. Medicare costs have been rising about 6% per capita over the past 10 years, and although these have slowed recently, Medicare costs are a major driver of federal budget deficits and the accumulation of national debt. David Sklar was interested in learning how the Senate Finance Committee thinks about this challenge and works to balance the health-care needs of Medicare beneficiaries with the needs to control the growing costs.

During his fellowship David worked on the health team under the direction of the chief health counsel David Schwartz.

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The health team staff divides the work of various Medicare and Medicaid programs, the Affordable Care Act, and any health policy-related problems that may have financial implications or solutions. David's work portfolio has included physician payment reform, changes in the graduate medical education system, drug shortages, hospice and end of life issues, health information technology, patient-centered outcomes research, new models of payment and care delivery systems under review by the CMS Innovations Center, and the use of quality measures to improve care and reduce cost. He also tracked the work of the Health Education Labor and Pensions (HELP) Committee which does substantial work in health policy and provides oversight for a variety of federal programs like the NIH and the FDA.

As a committee staffer, David continually met with various stakeholder constituencies interested in future health-care expenditures, including representatives of hospitals, physicians, drug companies, medical supply companies, medical schools, and various patient groups. The objective of these meetings was to learn

about the advocacy efforts of these groups, how those activities can inform the work of the committee, and how those perspectives may be incorporated in possible solutions to the problems we face. As an educator, David is also interested in how public finance can drive decisions about the optimal mix of future physicians with training in areas most needed by the public.

Among the highlights of his fellowship, David would point to his work on recent legislation to address the pending reduction in physician fees (Middle Class Tax Relief and Job Creation Act of 2012) on which he worked as part of the team that reviewed various proposals, did policy research and developed procedural legislative strategy. From this experience he is certain that working on a "live" bill provides a unique window on to the world of deal making, negotiations and compromise that cannot be replaced with lectures or reading. David was actively engaged in preparation for and the response to the Supreme Court decision regarding the Affordable Care Act constitutionality.

HYBRID FELLOWSHIP

Chris Tausanovitch came to the Senate Finance Committee while on a leave of absence from his doctoral studies in political science at Stanford University. Chris was drawn to the committee's diverse portfolio due to his interests in tax policy, inequality, and congressional representation. In broad policy terms, the committee's professional staff serve a role in between that of a personal office staff and a congressional support agency, such as the Joint Committee on Taxation (JCT) or the Congressional Budget Office (CBO). Like JCT or CBO, the Finance Committee staff advises congressional offices throughout the Senate. However, unlike these organizations, the Committee staff are not required to be nonpartisan. This allows staff to serve a unique coordinating role on policy matters, giving a birds-eye-view of what is happening in Congress. The staff also serves the chairman of the com-

mittee in his leadership role. They handle introduced legislation referred to the committee, develop and modify the underlying legislative drafts for markup, produce the committee report on the markup, and help manage the Senate floor if any legislation within committee jurisdiction is under consideration. Because Senator Baucus represents the Montana, all committee staff may also become involved in addressing Montana specific problems related to their areas of expertise.

As a hybrid fellow, Chris worked on a diverse array of policy issues. Although he spent most of his time working with the tax team, he was also available to the social security and budget team as well. This allowed him to delve into one area of policy but also get a broader sense of the workings of the committee. Tax policy and the budget are highly interrelated and these may well have been the most contentious issues under consideration by the 112th Congress.

The Finance Committee is the Senate's central hub for expertise on tax matters. The tax team is led by Lily Batchelder, who is

on leave as a professor of tax at New York University Law School. Her staff includes experts on international taxation, energy taxation, real estate, transportation, research and development, corporations, partnerships, non-profits, and tax compliance, among others. Eight permanent senior staff cover all areas of tax law, with the assistance of two research assistants and a rotating cast of fellows, law clerks, and interns. The Finance Committee's tax team has a say in all legislation that touches the Internal Revenue Code, which in recent years has included most major legislation. The tax team serves as a liaison between senators as well as the primary overseer of Congress's revenue estimating arm, the Joint Committee on Taxation.

In early 2012, the media drew a flurry of attention to the fact that many wealthy investors pay effective tax rates of 15% or lower, far lower than a typical middle-class family. As a result, several proposals were put forth attempting to ensure greater fairness in the tax code. Senator Whitehouse introduced the Paying a

Half of Harun's time was spent with the tax team, where his portfolio centered on managing the energy, manufacturing, and innovation provisions in the tax code. Primarily based in the corporate code, these provisions are some of the primary tools of US industrial and energy policy. For example, in fiscal year 2011, 85% of federal government's funding for the energy sector was delivered through the tax code, totaling approximately \$20.5 billion. These provisions relate to nearly every source of energy ranging from traditional fossil fuels to nuclear power and the whole portfolio of renewable energy technologies; these also include incentives aimed at improving the efficiency of energy use. The tax code also contains provisions that provide support for domestic manufacturing, reward increases in corporate research and development, and seek to stimulate capital investment. During Harun's time on the staff many of those provision were expiring or had just expired, resulting in intense debate, lobbying, and legislative activity. Working on these issues gave him a tremendous opportu-

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Fair Share Act, which would have imposed a 30% minimum tax on high earners. Chris assisted the committee and Chairman Baucus with research on this bill and its effects. The bill was later revised on advice from the committee, and the debate over fairness in the tax code continues.

In his role as a legislative fellow, Chris provided background information on bills on the Senate floor, coordinated the committee's ongoing efforts on preparing for tax reform, briefed the personal office legislative assistant on particular areas of tax and the economy, assisted with the preparation of hearings, and developed legislative proposals. Chris worked on specific policy areas including the Earned Income Tax Credit and the Child Tax Credit, tax treatment of education, and the tax treatment of investment income. He also assisted the budget team and the chairman in keeping abreast of trends in the economy and the status of the budget deficit. At the time of this writing, his focus was on organizing a hearing on the taxation of capital gains income and helping to develop the chairman's tax reform plan.

SCATTERED FELLOW

Harun came to the committee on a leave of absence from the RAND Corporation, where he had worked as a policy analyst at RAND's offices in Santa Monica, CA, Washington, DC, and Brussels. He was also a doctoral fellow at the Pardee RAND Graduate School. Prior to arriving at RAND he was a researcher at the Lawrence Livermore National Laboratory and an aviation officer with the Bosnian Army. In addition to pursuing his PhD in public policy analysis, Harun holds master's degrees in applied physics and defense analysis from the Naval Postgraduate School in Monterey, CA, and an undergraduate degree from the US Air Force Academy in Colorado Springs, CO. Perhaps unsurprisingly, the scattered fellowship model seemed to be the best fit for his eclectic background. The committee put together a work portfolio that saw him splitting his time between the tax and trade teams on the committee and working on the chairman's personal office staff.

nity to learn about the financial and technical aspects of business from many viewpoints, ranging from those of tax equity investors and corporate CEOs to environmental advocates and a variety of administration stakeholders. The often contentious nature of legislative work on these issues provided a glimpse into the inner sanctums of the legislative branch as proposals were debated in hearings, committee markups, on the Senate floor, and in conference with the lower chamber. In addition to staffing the day-to-day legislative activity, Harun also worked on the development of the cChairman's tax reform proposals in these policy areas.

The other half of Harun's time was divided between issues of US-Canada trade, and Montana-specific aerospace and defense issues. Canada is both the United States' largest trading partner and energy supplier. In 2012, initiatives like Beyond the Border, Canada's inclusion in the Trans-Pacific Partnership negotiations and the controversy surrounding the approval of the Keystone XL pipeline, dominated the bilateral relationship. The Finance Committee was at the nexus of the complex web of interactions between Congress, the Office of the US Trade Representative, the US State Department, and the Canadian government. The ability to work on defense issues as part of chairman's personal office staff proved to be extremely rewarding; Harun observed Senator Baucus in his role as the senior senator from Montana and not just in his role as the chairman of the Finance Committee. It was interesting to become embroiled in the controversy surrounding the disposition of Montana Air National Guard assets that came to a head in the 2012 National Defense Authorization Act. Through this act Congress blocked the Air Force from divesting, retiring, or transferring aircraft assigned to the Air National Guard and the Air Force Reserve and sought to establish an independent national commission to report on the future structure of the Air Force. Senator Baucus' continued support for a strong land-based nuclear deterrent provided a great platform to observe events at a time when the dual threat of the budgetary sequester and nuclear posture review hung over the traditional nuclear triad.

CONCLUSION

There were also unexpected benefits of having three APSA congressional fellows serving in the same office. Although we had very different issue portfolios, we were able to find areas of overlap and have opportunities to work together and learn from one another when confronted with issues that did not fit neatly into any one category. Answering policy questions related to “green hospitals” or the implementation of taxes embedded within the

expiration of many of the more specific tax breaks will have large effects on particular industries; for instance, the wind industry if the production tax credit for electricity generated from wind is allowed to expire. Simultaneously, the so-called sequester will go into effect, a large reduction discretionary spending equally divided between defense and nondefense mandated by the 2011 Budget Control Act. The Congressional Budget Office expects these tax and spending changes to slow the economy dramati-

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Affordable Care Act is indicative of complexities inherent in the work of the Senate Finance Committee, which frequently requires drawing on knowledge from many different areas.

In this coming year, Congress will face many issues that demand similar synergies in policy making, albeit at a much higher level. This process starts with the outcome of this summer’s Supreme Court decision on the constitutionality of the Affordable Care Act. This decision sets the political stage for the 2012 elections. Yet, even before the newly elected members of the 113th Congress arrive in Washington, the members of the 112th Congress will likely face one of the most contentious “lame duck” sessions in recent history. In the weeks following the November 6 elections, Congress will have to decide whether and how to handle a confluence of events that has come to be known as “the fiscal cliff” or “taxmageddon.” At the end of the year, a series of tax cuts enacted in 2001, 2003, and 2009 will expire along with a host of smaller, more specific tax breaks. The expiration of the broader taxes will affect everything from ordinary income taxes to taxes on dividends, capital gains, and estate taxes. The

expiration of many of the more specific tax breaks will have large effects on particular industries; for instance, the wind industry if the production tax credit for electricity generated from wind is allowed to expire. Simultaneously, the so-called sequester will go into effect, a large reduction discretionary spending equally divided between defense and nondefense mandated by the 2011 Budget Control Act. The Congressional Budget Office expects these tax and spending changes to slow the economy dramati-

cally. In case all of this was not enough, wrapped up in this debate is the question of whether to defer the scheduled physician payment cuts, more commonly known as the Medicare “doc fix.” This recurring issue of adjusting the calculation of the Medicare Sustainable Growth Rate (SGR) will be debated in the shadow of a federal government faced with, once again, running into its self-imposed debt limit and an uncertain macroeconomic climate.

Many outside groups have proposed solutions to these problems, but the realm of the possible will probably not be defined until after the election. Working on the Senate Finance Committee has brought these problems and the politics surrounding them into clear focus for the three of us. We now better understand the seriousness of these challenges and the many impediments to solving them, both in terms of policy and politics. We have also learned that our leaders in Congress have truly excellent staff to assist them in facing these problems. The people who are working on these problems care deeply about the future of our country. We wish them the best of luck in the year ahead. ■