

Executive Alert Extra

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WHAT'S HAPPENING AT THE NCPA

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New Pension Bill Reflects NCPA/Brookings Retirement Recommendations

The pension bill recently passed by Congress contains most of the retirement reforms jointly advocated by the NCPA and the Retirement Security Project (RSP) of the Brookings Institution.

“These are reforms that both the left and right can agree upon,” said NCPA President John C. Goodman. “Congress has made it easier for workers, especially younger workers, to prepare for retirement.”

“Public policy should encourage both saving and diversification,” added Brookings Senior Fellow Peter Orszag, “and this bill accomplishes both of those goals.”

Most media coverage of the pension bill has focused on its effect on defined benefit plans at large corporations. But perhaps the most important aspect of the legislation is provisions that encourage companies to



Sen. Rick Santorum (R-PA, above at podium) and House Majority Leader John Boehner (R-OH, far left) and Rep. Sam Johnson (R-TX, near left) sponsored separate Capitol Hill briefings late last year highlighting the NCPA/Brookings Retirement Plan. NCPA President John C. Goodman led both briefings. The NCPA/Brookings proposals form the cornerstone of the Pension Protection Act of 2006, which was recently passed by Congress.

automatically enroll workers in employer-sponsored accounts like 401(k) and 403(b) retirement plans. Scholars at the NCPA and the Brookings Institution estimate that automatic enrollment will increase the rate of employee participation from about 75 percent to between 85 and 95 percent.

The bill also provides for automatic increases in employee contribution rates. The NCPA/RSP plan shows that building an adequate retirement fund is easier when employers automatically step up workers' contributions each year, rather than requiring a higher rate of savings the time they first enroll.

A key provision, however, is missing from the bill—lifetime annuities. “Longer lifespans increase the risk of outliving one’s retirement savings,” Goodman said. “Encouraging employers to offer a lifetime annuity as the default payout option at retirement for 401(k)s would reduce this risk substantially.” In addition, the NCPA/RSP plan advocates defaulting employees into 401(k) plans if they do not already have an investment preference. However, the Department of Labor could add this requirement when it drafts new employer rules.

NCPA Launches SPN Medicaid Service Center

The NCPA recently launched the Medicaid Reform Service Center to provide members of the State Policy Network (SPN) and other organizations with the best and latest information on Medicaid reform. Recognizing that Medicaid is the single largest item in virtually every state's budget, the Medicaid Service Center provides the support, expertise and financial assistance necessary to facilitate significant Medicaid policy changes at the state level.

"The country as a whole spends more on Medicaid than primary or secondary education," said NCPA Senior Fellow Mike Bond, who with NCPA Senior Fellow Devon Herrick leads the Medicaid reform effort. "Without reform, Medicaid is on course to consume the entire budgets of state governments in just a few decades."

Bond is the architect of Medicaid reform plans that allowed Florida and South Carolina to introduce competition and created access to private health insurance for Medicaid enrollees, while also controlling spending and providing the necessary incentives for enrollees to become wise consumers of health care. Herrick publishes the *SPN Medicaid Exchange*, a Web-based biweekly e-newsletter that focuses on Medicaid reform efforts.



NCPA Senior Fellows Devon Herrick (left) and Mike Bond (below) lead the NCPA's Medicaid reform efforts and keep the State Policy Network's member organizations up-to-date on nationwide reform efforts.



Cable Networks Rely on NCPA Experts to Discuss Oil Prices, Rebut Science in Gore Movie

Cable news networks recently called on NCPA Board Chairman Pete du Pont and Senior Fellow H. Sterling Burnett to discuss energy-related topics such as oil prices, drilling along the outer-continental shelf and global warming, especially focusing on former Vice President Al Gore's movie, *An Inconvenient Truth*. Gov. du Pont told the Fox News Channel that Gore will likely make a run for the Democratic presidential nomination.

"Al Gore thinks he has the most important emergency issue in global warming," Gov. du Pont said. "I don't think he's right on the merits, but he believes it. And I think he'll use it as an issue to get the nomination."

NCPA Senior Fellow H. Sterling Burnett told CNBC's *Street Signs* program that we need to open the Outer Continental Shelf to exploration to help lower oil prices. "We have quadruple our current oil reserves offshore and off-limits; we have hundreds of trillions of cubic feet of natural gas offshore and off-limits. We would improve our energy security, consumers would benefit and the environment would benefit from offshore drilling."

Burnett also told Fox News that the only inconvenient truth about Gore's movie is that the purported science behind it is flawed.



NCPA Board Chairman Pete du Pont (left) and Senior Fellow H. Sterling Burnett (near left) tell Fox News Live that former Vice President Al Gore's movie ignores the science of climate change. Burnett also tells CNBC (below) that the U.S. needs to allow drilling along the Outer Continental Shelf in order to boost oil production and improve energy security.



Revamped Debate Central Site Is Ready As Debate Season Begins

As high school debate camps begin in earnest, the NCPA's Debate Central Web site is ready. Debate Central's main objective is to provide students from disadvantaged and low-income school districts with free access to the latest and best debate material available. Other sites require payment for training materials or to ask an expert a question.

However, because Debate Central is supported by the NCPA and its donors, it offers free access to everyone. This is particularly significant for students in low-income and disadvantaged districts, who otherwise lack the resources to compete against wealthier, more advantaged schools.

The Debate Central Web site—www.debate-central.org—includes more than 1,000 organized links to relevant studies and other resources, commentary and advice from experts in the field on this year's topic of National Service. The site also includes advice for building debate cases, including specially tailored Affirmative and Negative cases.

Debate Central is the official main bulletin board for the National Federation of High Schools, and the Debate Central Web site was runner-up this year in the Templeton Freedom Prizes for Excellence in Promoting Liberty Award for Student Outreach.

Leaving Women Behind Web Site Ready for Book Launch

The NCPA has unveiled a new Web site focusing on our latest book, *Leaving Women Behind: Modern Families, Outdated Laws*.

The book, co-authored by Kim Strassel of *The Wall Street Journal*, NCPA President John C. Goodman and NCPA Consultant Celeste Colgan, examines the impact of the single most important economic and social event of the 20th century—the large-scale entry of women into the work force.

Leaving Women Behind shows how our major economic institutions—including tax law, labor law and employee benefits law, as well as Social Security and retirement policies—reward families with a full-time worker and a stay-at-home spouse and punish every other arrangement. As a result, today's working women face high taxation and tough choices.

This site provides visitors with a summary of the book and a gateway for purchasing their own copy. In addition, women will be able to post their own stories about how outdated laws and institutions impact their families.

The Web site is located at www.leavingwomenbehind.com.

Villafana Joins NCPA



Debbie Villafana has joined the NCPA as executive assistant to President John C. Goodman. Debbie previously was senior assistant to the professor and chairman of the dermatology department at UT-Southwestern Medical Center and also was senior assistant to the senior vice president of Blockbuster, Inc.

Debbie replaces Laurel Jordan, who recently was promoted to assistant director of development.

Herrick to Chair NABE Roundtable

NCPA Senior Fellow Devon Herrick has been elected to serve as chairman of the Health Economics Roundtable of the National Association of Business Economics (NABE).

Herrick has served as secretary-treasurer of the Roundtable under Robert Graboyes, outgoing president and professor of economics at the University of Virginia.

Herrick is co-author of the NCPA book, *Lives at Risk: Single-Payer National Health Insurance Around the World*, and several NCPA studies.

His term begins at the NABE's annual meeting in Boston next month.



Events Schedule

Sept. 14-17
NCPA Board Retreat
Camp Topridge
Saranac Lake, NY

Oct. 3-4
NCPA Chairman's Council Policy Forum
Hay-Adams Hotel
16th & H Streets
Washington, D.C.

Nov. 10-11
Summers' Scholars Weekend
Crown Plaza Hotel-Market Center
Dallas, TX

Nov. 15
Fred Barnes & Mort Kondracke Hatton W. Summers Distinguished Lecture Series
Anatole Hotel—Dallas, Texas
Noon - 1:30 p.m.



Fred Barnes (above) & Mort Kondracke (below) headline the Summers DLS Luncheon on Nov. 15.



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