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Great Public Schools for Every Student

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Dear Senator:

On behalf of the three million members of the National Education Association (NEA), and the 50 million students they serve, **we urge you to Vote No** on the *Tax Cuts and Jobs Act*, a rewrite of the U.S. tax code being voted on this week. This multi-trillion dollar plan is a tax giveaway to the wealthiest and corporations paid for on the backs of working families and students, and jeopardizes the ability of states and local communities to adequately fund public schools. Votes associated with this issue may be included in NEA's Legislative Report Card for the 115th Congress.

Tax plans reveal the priorities of a nation and in a number of respects this one tells working and middle-class families, students, and educators that they must sacrifice in order to further enrich the wealthy and corporations. We oppose the bill as currently crafted for several reasons outlined below.

**A Giveaway to the Wealthy and Corporations sets up Drastic Cuts to Medicaid, Medicare, and Education**

One analysis of the Joint Committee on Taxation's estimate shows that this bill is overwhelmingly skewed to the wealthy. Under the Senate GOP plan, 82 million middle-class households will see a *tax increase* by 2027 and Americans in the lowest income brackets will be worse off next year.

For now, much of the tax cuts will be deficit-financed. The budget resolution that helped pave the way for this plan previews the next phase: future legislation to cut the growing deficit caused by tax cuts by demanding cuts to critical services that help our most vulnerable citizens – Medicaid, Medicare, education, and more. In fact, statutory pay-as-you-go rules will create immediate automatic sequestration cuts resulting in cuts to Medicare, the elimination of programs like vocational rehabilitation state grants, and doubling origination fees on student loans.

Kansas provides a window into what this looks like. In 2012, the state's former governor pushed through similar massive tax cuts to individuals and businesses that allegedly would boost the economy. In reality, Kansas' job growth was anemic and the governor and legislature starved state services. Kansas cut funding for public schools, infrastructure, and other services, and scrambled to close a $350-million budget deficit. After voters spoke at the ballot box, lawmakers reversed course, raising taxes and overriding – in a bipartisan manner – the governor's veto. Rather than rushing forward with a partisan bill written in secret by one party, Congress would do well to heed the recent lesson from America's heartland.

**Eliminating SALT Deduction is a Tax Increase and Could Devastate Education Funding**
The bill would eliminate the state and local tax deduction (SALT) —taking money out of the pockets of as many 44 million middle-class families across the nation. While the bill hammers middle-class families on this, it oddly preserves the ability of businesses to deduct state and local taxes – yet another example of how the bill takes from working families to provide tax giveaways to corporations.

Eliminating any part of the state and local tax deduction could lead to a tax increase on middle class families and have a negative, ripple effect on the ability of states and local communities to fund public services, like education. That could translate into cuts to public schools, lost jobs to educators, and overcrowded classrooms that deprive students of one-on-one attention.

NEA conducted a detailed analysis of the plan to eliminate the SALT deduction. **In total, education funding could take as much as a $373 billion cut over the next 10 years and put up to 370,000 education jobs at risk.** It is no secret what is likely to follow if Congress eliminates SALT. If there is any doubt, one need only to listen to what far-right groups like ALEC are saying right now. Their letter about the SALT deduction lays out their plan—to lobby for lower taxes at the state and local level. This means even fewer available funds for students and public education.

**Partial Repeal of the Affordable Care Act**
We are deeply concerned that the bill contains an effective partial repeal of the Affordable Care Act (ACA) by eliminating the individual mandate. We strongly support the ACA which has increased health care coverage in every demographic group resulting in an all-time low rate of uninsured people and expanded coverage for low-income children and families. A new Congressional Budget Office report shows that repealing the individual mandate would leave 13 million Americans uninsured and result in drastic spikes in insurance premiums. The Senate has already wisely rejected various versions of ACA repeal. Further, we feel strongly that this irresponsible measure has no place in a tax bill.

**Oppose any Attempt to Turn 529 College Savings Plan into a Voucher-like Scheme**
We oppose the language the House bill that would create a K-12 voucher scheme with no income limits that is aimed at benefitting the wealthy to set aside up to $10,000 annually in a tax-free account for private school expenses. Both the Heritage Foundation and Education Secretary Betsy DeVos agree, noting to *The Washington Post* that the backdoor voucher plan is "… a good step forward…" in allowing public dollars to follow children to private school. Make no mistake. This poorly veiled voucher program will only benefit the wealthiest families who can already afford private school tuition at the expense of our students, communities, and taxpayers. In the end, no matter what form or name a voucher program takes, the impact is the same. This risky voucher program will hurt students and neighborhood schools— where 90 percent of children attend. We urge you to oppose any attempt to include voucher schemes in this bill.

**Protect the Educator Tax Deduction**

We urge you to keep in place the increase of the Educator Tax Deduction from $250 to $500 per year in the bill passed by the Senate Finance Committee. This popular tax deduction helps the estimated 99 percent of public school teachers who spend hundreds of dollars of their own money for classrooms supplies.

**Rewriting the Tax Code Should Not be Rushed**

In 1986, Congress undertook a yearlong, bipartisan effort to deliberately and carefully rewrite the tax code. Measured consideration should again be taken in understanding the near-term and long-term impacts a tax code rewrite will have on families, communities, and public services. Instead, Congressional leadership is rushing the process and putting forward a bill that further tilts the scale in favor of the wealthy and corporations, and paid for by working families. For all of the reasons outlined above, we urge you to **Vote No on the Tax Cuts and Jobs Act**.

Sincerely,

Marc Egan

Marc Egan
Director of Government Relations
National Education Association