



Monday, November 13, 2017

Dear CEF Members:

## I. Policy Intelligence and Education News

- **What's next?** – This week we should see action on a number of fronts, all of which ultimately impact the timing and content of fiscal year (FY) 2018 appropriations.
  1. **National Defense Authorization Act** – First up is House consideration of the defense bill, which sets a very high authorization level for defense spending for 2018 – far above the defense discretionary cap. That high of a level demonstrates strong support for increasing defense spending this year.
  2. **Tax reform** – the House plans to consider its tax reform proposal later this week, and the Senate Finance Committee is starting its process with its own version. We're hearing that Republicans do not want to announce a budget deal to raise discretionary spending caps until after they dispense with tax reform. Until Congress agrees on a budget deal, there will not be any public announcements about new funding levels for the various FY 2018 appropriations bills.
  3. **Administration's disaster funding request** – [As soon as Thursday, the Administration may send up its third – and possibly final – request for emergency funding to address the recent natural disasters.](#) It's possible that Congress will package this supplemental funding bill with a short-term continuing resolution (CR) to fund the government beyond December 8, when the current CR expires. Alternatively, it could be packaged with the final year-long omnibus funding bill, whenever that is passed.
- **FY 2018 appropriations** – Democrats continue to push for parity in raising the non-defense discretionary (NDD) cap by the same amount as the defense cap for FY 2018. Once the new caps are set, the funding total needs to be divided among all the appropriations bills and then negotiations will start on funding levels for the individual programs, all of which will be pulled together in an omnibus appropriations bill. That will take several weeks, which means Congress must pass another CR. [Democrats would like to finish up by December 22, but some Republicans are pushing for a CR until the end of January, possibly with the plan to package the omnibus appropriations bill with an increase in the debt ceiling, which will have to pass by then.](#) There are other policy issues pending, including CHIP reauthorization and the DACA program.

## II. Advocacy

- **Senate leadership meetings** – This week CEF’s officers are meeting with several Senate leadership offices. Today we had a meeting with [Chuck Kieffer, Staff Director for the Senate Appropriations Committee Democrats](#). Tomorrow we have meetings with [Claire Sanderson with Senate Whip Cornyn](#) and with [Brad Middleton with Assistant Minority Leader Durbin](#). We also have pending meeting requests with the Senate Appropriations Committee Republican staff and the office of Minority Leader Schumer.
- **FYI, information on the Republican tax plan and education** – For those involved in the tax reform debate, attached is one-pager about the impact of the elimination of the state and local tax deduction on education. In addition, following are links to the letters opposing the tax plan sent to the [House](#) and the [Senate](#) today from 43 education groups, including many CEF members.

### III. CEF Activities

- **CEF’s upcoming schedule** –
  - **Friday, Nov. 17, 9-11am:** At Georgetown University Law Center near Union Station, 600 NJ Ave, NW, Room 200 McDonough Hall. Guest Speaker: Erica Navarro, Director of Budget Service, U.S. Department of Education.
  - **Friday, Nov. 24 – no meeting.**
  - **Friday, Dec. 1, 9-11am:** At NEA, 1201 16th St NW, Chanin Auditorium. Guest speaker: TBD
  - **Friday, Dec. 8, 9-11am:** At Georgetown University Law Center near Union Station, 600 NJ Ave, NW, Room 200 McDonough Hall. Guest Speaker: (tentative) Steve Townsend, Senate Budget Committee Republican staff.
  - **Friday, Dec. 15, 9-noon: CEF ANNUAL MEETING.** At University of California, 1608 Rhode Island Ave, NW, 1<sup>st</sup> floor auditorium. Attendance is important – we will have elections for CEF’s 2018 Board and vote on CEF’s 2018 budget. And of course, we’ll provide the traditional [hot breakfast!](#)

### IV. Events

- **Hands on DC Board Opportunity** – [Hands on DC](#) is an all-volunteer, nonprofit organization that organizes projects to improve the physical condition of Washington, DC public schools. They raise funds to support local college scholarship programs and encourage greater community involvement in the public schools. Hands on DC is volunteer-founded and volunteer-led, with no paid staff. CEF’s Noelle Ellerson Ng sits on the board of the group, and they are currently looking for a Treasurer and have open spots on their executive committee. If you are looking to volunteer and give back locally, this group is an excellent way to do so. [They coordinate 3-4 volunteer events a year, in a handful of DC schools each time, and do anything from painting murals and updating stairwell paint to](#)

[installing baseball benches and organizing libraries](#). If you are interested in this opportunity, please reach out to Noelle at [nellerson@aasa.org](mailto:nellerson@aasa.org).

- **UNCF Briefing on Tuesday, November 14** – CEF Member UNCF is co-hosting an event titled “HBCUs Make America Strong: The Positive Economic Impact of Historically Black Colleges and Universities.” UNCF will release a landmark study quantifying the economic impact of the nation’s HBCUs – including 100 HBCUs individually – on the economy, jobs, and earnings. The Bipartisan Congressional HBCU Caucus is an honorary co-host of the event. Registration and continental breakfast is at 8am in 902 Hart Senate Office Building, immediately followed by the forum at 8:30am. Please RSVP [here](#).

My best,

Sheryl

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# The State and Local Tax (SALT) Deduction Helps Support Education



The Congressional tax reform plan (or “Brady Bill”) introduced on November 2, 2017, partially eliminates the state and local tax deduction (SALT) for property taxes and fully eliminates it for income and sales taxes. **Any partial or full elimination of SALT will have a potentially devastating impact on schools and school districts throughout the United States.**

**Nationally, state income and sales taxes fund 46 percent of public education. Meanwhile, local communities provide nearly as much support, with local revenues, including revenues from property taxes, representing 45 percent of total funding for public education. If income and sales taxes are no longer deductible, the property tax cap results in fewer itemizers, or home values decline, there could be pressure on state and local governments to reduce school funding.**

Americans Against Double Taxation, a coalition of state and local government organizations, realtors, educators, public safety organizations and other stakeholders, has formed to help protect this federal tax deduction claimed by 44 million American taxpayers that supports essential public services such as education.

The AADT coalition includes a broad cross section of the education community – the American Association of School Administrators, National School Boards Association, National Education Association, and American Federation of Teachers have all joined together because this issue is so important to educators, school boards, school administrators, and for students themselves.

**SALT Helps Support Education.** Local revenues, including revenues from property taxes, make up 45 percent of total public education funding in the United States. And according to the National Center for Education Statistics, on average 46% of public elementary and secondary education in the United States is tied to state income and sales taxes. This percentage is even higher in certain states, including:

- Minnesota: 70%
- Michigan: 59%
- California: 57%
- Utah: 54%

**Cutting SALT Could Put 250,000 Education Jobs At Risk.** According to recent analysis from the National Education Association, the Brady Bill could put 250,000 education jobs at risk. Educator job losses would be felt throughout the country:

- New York: 24,628 jobs lost
- New Jersey: 11,962 jobs lost
- Virginia: 9,264 jobs lost
- Pennsylvania: 7,431 jobs lost

**Cutting SALT Hurts Middle-Class Communities.** The partial elimination of SALT – combined with cutting the cap on the mortgage interest deduction in half – will result in a double whammy on homeowners, raising

tax bills while diminishing home values. Lower home values will result in yet another hit to education funding, as property tax revenues decline and erode education funding further.

**Cutting SALT Puts Pressure on School Funding.** Cutting SALT puts pressure on state and local governments to reduce spending on public services, which, in turn, threatens schools and school districts because education in the United States is substantially funded through state and local income, sales and property taxes. The National Education Association estimates that eliminating SALT would threaten approximately \$250 billion in public education funding over the next ten years.

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