

April 11, 2018

The Honorable Stephen I. Cohen
U.S. House of Representatives
2404 Rayburn House Office Building
Washington, DC 20515-4209

Dear Congressman Cohen:

On behalf of the three million members of the National Education Association and the 50 million students they serve, we strongly urge you to VOTE NO on H.J. Res. 2, the balanced budget amendment to the United States Constitution scheduled for a vote this week. Votes associated with this issue may be included in NEA's Report Card for the 115th Congress.

Any claim that a balanced budget amendment is necessary due to the mounting deficit is the height of hypocrisy. As the Congressional Budget Office reported earlier this week, the massive tax cuts enacted just months ago could increase annual economic growth by a paltry 0.7 percent from 2018 to 2028. That's not nearly enough to cover the cost of the \$1.8 trillion increase in the deficit over the same period, a consequence of lost revenues and higher interest payments caused by the same tax cuts. The call for a balanced budget amendment proves that those most in need — individuals and families — are being asked to finance a massive tax giveaway to the ultra-wealthy and corporate special interests.

Declining revenues would force Congress to make deep cuts in Social Security, Medicare, and Medicaid as well as education and other essential domestic programs. Expenditures could not exceed revenues during any given year, so the accumulated \$2.9 trillion in Treasury securities held by Social Security would not be available to help pay benefits to retiring baby boomers. During a recession, Congress would have to choose between raising taxes on working families or slashing support for health, education, and other essential domestic programs.

Requiring the federal budget to be balanced every year would also lead to more frequent, longer, and deeper recessions that destroy jobs and constrain long-term economic growth. Macroeconomic Advisers, a private forecasting firm, calculated that cuts mandated by a balanced budget amendment would have thrown 15 more million people out of work, doubled the 9 percent unemployment rate, and shrunk the economy by 17 percent when the economy was in recession in 2012.

Moreover, a balanced budget amendment would make it impossible to respond appropriately to sudden changes in the economy, natural disasters, or threats to national security. Some argue that state governments and American families balance their budgets and checkbooks, so the federal government must do the same. The analogy is intentionally misleading. States frequently finance capital investments in infrastructure and other areas. And for households, consider what it would mean to truly balance the budget every year: no mortgages, no student loans, and no dealer-financed cars.

In the past, Congress has balanced the federal budget and even operated with a surplus without rewriting the United States Constitution. The proposed balanced budget amendment is yet another abdication of current leadership's responsibility to govern. For all of these reasons, we strongly urge you to VOTE NO on H.J. Res. 2 and any other balanced budget amendment.

Sincerely,

Marc Egan
Director of Government Relations
National Education Association