

Representative Paul Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Representative Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

April 11, 2018

Dear Representative,

On behalf of AASA, The School Superintendents Association, representing more than 13,000 public school system leaders across the country, I write to express our opposition to the any balanced budget amendment to the United States Constitution. A balanced budget amendment is an unusual and economically risky way to address the nation's long-term fiscal problems. Public school superintendents understand and work with the responsibility and benefits of a balanced budget at the local level every year. At the federal level, however, the implications and consequences are significant, and far outweigh any perceived benefit or notion of 'fiscal restraint'.

A balanced budget amendment has serious implications for appropriations and for entitlement spending, as well as the economy, and potentially dire consequences when it comes to federal support for public education. Formally modifying the Constitution to require a balanced budget poses a serious risk of exacerbating a weak or struggling economy, tipping it into recession or making recessions longer and deeper. A balanced budget amendment, at the federal level, ties the hands of federal policymakers to respond with appropriate fiscal policy in light of a recession, and instead would back Congress into the corner of spending cuts and/or raising taxes, which run counter to what good economic policy would advise.

As part of the Non Defense Discretionary (NDD) coalition, in 2016 AASA joined more than 270 organizations in a letter opposing a balanced budget amendment, which read: '...a balanced budget amendment is a recipe for making recessions more frequent, longer, and deeper, while requiring severe cuts that very likely would harshly affect seniors, children, veterans, and people with disabilities, as well as national security, homeland security activities, public health and safety, environmental protection, education and medical research. And it would almost certainly necessitate massive cuts in major programs such as Social Security, Medicare, Medicaid, and veterans' benefits.'¹

The potential impacts in 2019 are an excellent example of how damaging the impacts of a balanced budget amendment could be. According to the Center on Budget and Policy Priorities, "If a balanced budget were required in 2019, when revenue is projected to be down at 16.5 percent of GDP (given

¹ Non Defense Discretionary Coalition, letter to Congress, April 20, 2016
(<http://files.constantcontact.com/6ce74d4e301/db4e3662-cb94-4e0b-857d-8c64186617c5.pdf>)

the recent tax cuts), total spending would be constitutionally limited to 16.5 percent of GDP as well. This would require program cuts averaging more than 25 percent in 2019: if applied across the board, more than one-quarter of the Army, Navy, and Air Force; more than one-quarter of Social Security benefits; more than one quarter of cancer research; and so on. Protecting any area would force the cuts to be even deeper in remaining areas.”² These cuts would be deep and far reaching, and if applied to the department of education, could push funding below levels last seen more than 12 years ago.

Fair, reasoned, and practical fiscal leadership is the responsibility of Congress, and a balanced budget amendment undermines the ability of Congress to consider, adopt and implement any such policy. AASA urges you to oppose any balanced budget amendment brought before your chamber.

Sincerely,

A handwritten signature in black ink that reads "Noelle Ellerson Ng". The signature is written in a cursive, flowing style.

Noelle Ellerson Ng
Associate Executive Director, Policy & Advocacy

CC: U.S. House of Representatives

² Center on Budget and Policy Priorities. Constitutional Balanced Budget Amendment Poses Serious Risks (March 2018). <https://www.cbpp.org/research/federal-budget/constitutional-balanced-budget-amendment-poses-serious-risks>