



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



Senate Majority Leader Mitch McConnell
U.S. Senate
Washington, D.C. 20510

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

Senate Minority Leader Charles Schumer
U.S. Senate
Washington, D.C. 20510

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

December 15, 2017

Dear Congress,

Our organizations write to express our strong and continued opposition to the Tax Cuts and Jobs Act (HR 1). Collectively our organizations represent public school superintendents, educational service agency administrators, school business officials, and rural educators. We are unified in our unwavering belief that federal education policy must be premised on strengthening and supporting our nation's public schools, and HR 1 falls far short of this task. The comprehensive tax bill includes provisions that undermine the strength of our nation's public school systems and compromises the ability of these systems to adequately and effectively provide educational opportunities and services to the students they serve.

Our concerns are both procedural and substantive. We urge Congress to slow its effort to ensure a product that has solid policy footing and broad, bipartisan support. Substantively, we find that this conference agreement being considered includes no policy benefit to public education and, in fact, includes policy proposals that negatively impact education.

- **State and Local Tax Deduction:** State and local funding accounts for approximately 90% of funding for K12 schools. Reduction of state and local revenues—an all but certain reality under this tax plan—would mean certain cuts to public education. We remain opposed to any changes to the original SALT deduction and urge Congress to ensure that any comprehensive tax reform preserve the SALT deduction as a matter of national priority.
- **529 Accounts:** We urge Congress to maintain current law regarding 529 plans that limit these savings accounts to families for use at institutions of higher education. We strongly oppose the proposal to expand the definition of "qualified higher education expenses" to include up to \$10,000 a year in elementary and high school tuition and incentivize families to educate their children in private schools.
- **Construction Bonds and Debt Refinancing:** We are opposed to how this bill would reform how state and local governments, including school districts, can issue tax-credit bonds for school construction projects and tax-exempt advanced refunding bonds (ARBs) for refinancing debt. Tax credit bonds, including the Qualified Zone Academy Bonds, are effective and provide critical financial support for modern and technologically and energy efficient schools and classrooms. Tax-exempt ARBs allow districts to save hundreds of thousands of dollars through debt refinancing, allowing districts to reinvest dollars saved into classrooms and student learning.
- **Tax Plan Pay For:** Any tax bill must act prudently to ensure the plan is paid for—not adding to the federal deficit—and that in looking for pay-fors, work to preserve parity between defense and non-defense discretionary funding. Congress already struggles to avoid deep cuts to important education programs

as they work to comply with existing federal funding caps and constraints; a deficit-financed tax bill will only exacerbate this tension and the depth of cuts to important education programs.

We reiterate our opposition to this bill as currently drafted. We are deeply committed to ensuring students get the best possible education and support, and the elements of the plan being considered fall far short of this basic expectation. Congress can—and must—do better. Please direct any questions to Noelle Ellerson Ng (nellerson@aasa.org).

Sincerely,

Daniel A. Domenech
Executive Director
AASA, The School Superintendents Association

Joan Wade
Executive Director
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CC: U.S. Senate
U.S. House of Representatives