

# Fiscal Cliff Averted—For Now

**NEW YEAR'S DAY DEAL DELAYS CUTS, DOESN'T ELIMINATE THEM.**

BY KIM ANDERSON

**I**n Washington, D.C., 2013 began with overwhelming bipartisan support in the U.S. Senate for a deal that would keep the nation's economy from toppling over the much-discussed "fiscal cliff."

The agreement requires the wealthy to pay more in taxes, provides assistance to the millions of Americans suffering with long-term unemployment, and extends important tax credits for those who need them most: working families.

The bill's approval averted draconian, across-the-board budget cuts that would have resulted had Congress not taken action—but the reprieve is only temporary. In March, the White House will once again face off against Republican leaders in the House and Senate. There will be a second tussle as decisions are made over spending cuts and whether to raise the debt ceil-

ing in order to keep the country from defaulting on its obligations.

With the battle far from over, it is critical that supporters of public education remain on the frontlines. We must explain how cuts in education and critical services affect students and make sure every lawmaker understands that education spending—which accounts for only 2 percent of the federal budget—did not cause our nation's deficit. Most of all, we must push Congress to take a balanced approach in making across-the-board cuts.

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## The Fiscal Deal in a Nutshell

**NO CUTS** to Social Security, Medicare, or Medicaid.

**NEW REVENUE** of \$620 billion over the next 10 years.

**PERMANENT EXTENSION** of the middle-class tax cuts.

**PERMANENT INCREASE** in taxes for individuals earning more than \$400,000 and couples who earn more than \$450,000 a year.

**PERMANENT EXTENSION** of various tax benefits—such as the student loan interest deduction, and the tax exclusion on employer-provided educational assistance—that help families and students pay for college and a five-year extension of the Earned Income Tax Credit and the American Opportunity Tax Credit.

**FOR 2012 AND 2013, AN EXTENSION** in the \$250 tax deduction that is supplied to educators who use their own money to pay for school supplies.

**ONE-YEAR EXTENSION** in unemployment insurance for 2 million struggling Americans.

**TWO-YEAR EXTENSION** in school construction bonds, which equates to a \$400 million yearly increase in bond volume.

**ONE-YEAR EXTENSION** of the farm bill, which will avert massive increases in milk prices.

**EXPIRATION** of the two-year-old payroll tax holiday.