NATIONAL EDUCATION ASSOCIATION

1201 16th St., N.W. | Washington, DC 20036 | Phone: (202) 833-4000

Rebecca S. Pringle
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Vice President

Noel Candelaria
Secretary-Treasurer

Kim A. Anderson
Executive Director

May 2, 2023

U.S Senate
Committee on the Budget
Washington, DC 20510

Dear Senator:

On behalf of our 3 million members and the 50 million students they serve, we would like to submit the following comments for the record of the committee's May 4 hearing titled "The Default on America Act: Blackmail, Brinkmanship, and Billionaire Backroom Deals."

NEA strongly opposes the H.R. 2811 because it would hurt students, worsen educator shortages, and cause undue hardship for families by raising the cost of college, childcare, healthcare, and putting food on the table. Its proponents have set up a false choice: the first default in our country's 246-year history or cruel, devastating cuts that target the most vulnerable while asking nothing of corporations or the wealthiest among us. Those cuts would lower employment as well—according to Moody's Analytics, by 780,000 jobs by the end of this year.

Even a near-default would have enduring consequences, as we have seen before. The 2011 budget crisis shook confidence in America's political and financial stability, hiked borrowing costs, and ushered in a decade of austerity. Due to ensuing "budget controls"—cuts, actually—education funding is $13.6 billion less than it was a dozen years ago (after adjusting for inflation).

What the Supreme Court said in *Brown v. Board of Education* is still true: "In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity of an education." It is essential for ALL our students to have the instruction, resources, and support they need to succeed. H.R. 2811 jeopardizes that goal.

Misplaced priorities

The bill's priorities are cruel and indefensible. It slashes essential services for students, educators, and working families. At the same time, H.R.2811 leaves in place tax breaks for corporations and the wealthy in effect since 2018 that have swelled our nation's debt. During the previous administration, the national debt rose by $7.8 trillion—the third biggest increase, relative to the size of the economy, of any presidential administration.

Many current members of Congress voted to raise or suspend the debt ceiling three times with no drama during the previous administration. This time should be no different.

Any alleged plan to address the nation's long-term debt that completely avoids the revenue side of the ledger is not a serious plan—especially when it eliminates an investment in the Internal Revenue Service that more than pays for itself. Scrapping President Biden's plan to increase revenue through better tax enforcement would cost the Treasury more than $200 billion, according to the nonpartisan Congressional Budget Office.

Impact on students and educators
H.R. 2811 would slash federal funding by $130 billion in FY2024. That translates to a 22 percent cut in essential programs, compounded by the imposition of spending caps for 10 more years. The cuts would be even bigger than 22 percent, and even more devastating, if certain programs are exempted—defense spending, for example.

Here's what a 22 percent cut would mean for ongoing education programs:
- Title I of the Every Student Succeeds Act (ESSA) would lose $4 billion, impacting 25 million students—a cut equivalent to removing 60,000 educators from classrooms serving low-income students.
- Title II grants used to recruit and retain educators would be cut by $9 million, on average, in every state.
- Individuals with Disabilities Education Act (IDEA) grants would decline by $3.1 billion, impacting 7.5 million students with disabilities—a cut equivalent to eliminating 48,000 special education teachers and paraeducators.
- President Biden's plan to cancel student debt for 43 million Americans would be eliminated, causing more hardship for struggling students and their families.
- Aid would diminish for 6.6 million Pell grant recipients, the maximum award would be slashed by nearly $1,000, and 80,000 students would lose their eligibility for Pell grants.
- Grants to support high-quality career and technical education (CTE) would be cut by $6 million, on average, in every state.
- Sixty-nine community schools would lose all federal support.

H.R. 2811 would also limit eligibility for Medicaid and the Supplemental Nutrition Assistance Program (SNAP), with dire consequences:
- Many of the nearly 42 million children covered by Medicaid/CHIP—more than half the children in the United States—could lose access to healthcare when coverage is already endangered by the end of the Covid-19 public health emergency.
- Further draconian work requirements would be imposed under SNAP even though allotments have recently been slashed and many students have already lost free school meals.

Previous Congresses have recognized that it is irresponsible even to threaten a catastrophic default. H.R. 2811 would create a crisis of its own by making daily life more difficult and expensive for Americans—everything from college to childcare, healthcare, and putting food on the table.

We thank you for the opportunity to submit these comments.

Sincerely,

Marc Egan

Marc Egan
Director of Government Relations
National Education Association