



**To:** Members of the House Committee on Education and Labor

**From:** National Taxpayers Union

**Date:** September 9, 2021

**Subject:** Taxpayer considerations and amendment proposals for the Committee's reconciliation bill

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## **I. Introduction and Key Taxpayer Considerations for the Reconciliation Bill**

National Taxpayers Union (NTU) is the nation's oldest taxpayer advocacy organization. For more than fifty years, NTU has worked tirelessly to advance pro-taxpayer policies that lower tax burdens, promote free enterprise, and limit the size and scope of government. Our dedication to fighting for taxpayers on a wide variety of issues has enabled NTU to build a strong reputation on Capitol Hill, both among Democrats and Republicans. The current prospect of Congress passing, and the president signing, a \$3.5 trillion tax and spend bill has prompted NTU to continue the fight on behalf of taxpayers. The proposed \$3.5 trillion reconciliation bill raises federal spending to historic heights, levies new and punitive taxes on American businesses and families, and raises existing taxes to levels that will harm the country's economic recovery from the COVID-19 crisis. With the nation \$28 trillion in debt and counting, and projected to run trillion-dollar deficits for the next decade, Congress must urgently direct its attention instead to debt and deficit reduction.

To this end, as the Education and Labor Committee marks up its portion of the \$3.5 trillion reconciliation package, it is clear that nearly every provision in this flawed bill runs counter to our aforementioned core principles that have guided NTU's history. The bill that the Committee will mark up would increase the federal debt, lead to wasted tax dollars, and distort aspects of the economy. We strongly urge all committee members to reject passage of this section of the budget reconciliation package.

Broadly speaking, we wish to share some of our topline considerations for taxpayers regarding this bill. They are:

- Increases spending by at least \$761 billion on duplicative or wasteful federal programs;
- Strengthens the power of big labor unions at the expense of workers; and
- Expands the welfare state on new cradle-to-grave entitlements.

## **II. Amendments That Could Improve the Committee's Reconciliation Bill**

### **Part 1 - Elementary and Secondary Education**

This section authorizes a staggering \$80 billion in grant funding to help school districts to repair, modernize, or rebuild school buildings over the next several fiscal years. First and foremost, this exorbitant funding would come in addition to nearly \$200 billion that Congress has allocated for aid to K-12 schools, over the three major COVID-relief packages. If enacted in its current form, it would mean

nearly \$300 billion would have been given to these schools, just in the last year and a half. This would equate to about 40 percent of the combined amount that federal, state, and local governments spend on K-12 education annually. As it stands, school districts are flush with cash and it would be misguided to authorize so much more for schools.

Certainly, there is a case to be made that many of the nation's schools need to be repaired and modernized. This argument holds water at the state and local levels, where education is the primary responsibility of those governments, but not so much at the federal level. Since school repairs are a local issue, districts can either adjust funding levels for certain projects, offer bonds, or ask municipalities or their state government to help with funding levels. Therefore, this responsibility should not fall on federal taxpayers.

A less intrusive, less costly way to promote construction or repair of government schools is the public-private partnership concept embodied in the bipartisan Public Buildings Renewal Act.

#### *Recommended Changes*

- Strike Part 1 and replace it with the Public Buildings Renewal Act.

### **Part 2 - Higher Education**

This section authorizes more than \$111 billion to expand the federal government's role in post-secondary education. Under this section, most of the new funding would be used to make the first two years of community college tuition "free" for residents in states that choose to participate in the program. In order to get states to opt-in to the program, the federal government would cover the entirety of the costs with federal funds in the first year and slowly bump up the state's required share of costs in subsequent years. There is also a provision to increase the size of Pell grants to lower-income students.

The idea of "tuition-free community college" has become a mainstream policy priority of the majority party in recent years. Proponents of free college continuously argue that investments in higher education are needed to reduce the skyrocketing cost of post-secondary degrees, which can be a major barrier for lower and middle-income American students. While this may be true for private, four-year colleges, at the average two-year public college, annual tuition is just [\\$3,770](#). This figure has remained virtually flat over the past half decade. When financial aid programs are taken into account, lower-income Americans can typically already go to community college cost-free.

It is a myth that community college is cost-prohibitive for millions of people. Further, making it free, according to the *Wall Street Journal* "wouldn't sufficiently address deep-seated problems with the system: high dropout rates and entering students being unprepared for college-level work."

#### *Recommended changes*

1. Strike the entirety of this section.

### **Subtitle B - Labor Matters**

This section injects provisions of the radical, anti-jobs "PRO" Act into the reconciliation process. Under this section, federal agencies are given a windfall of taxpayer dollars to increase oversight and enforcement against employers, as well as increasing penalties under the Fair Labor Standards Act and the Occupational Safety and Health Act by at least ten times the current levels. Additionally, the most

precarious provision in this section is the substantial increase in fines levied on employers for violations of the National Labor Relations Act. Straight out of the PRO Act, the Committee's proposal would give the National Labor Relations Board the authority to levy fines of as much as \$50,000 per labor violation, and \$100,000 if the violation resulted in an employee getting fired. It's clear that the Committee wants to make the potential consequences for some activities so steep that businesses would simply choose to let big labor unions have more leverage, than be subject to large fines and lawsuits.

*Recommended changes*

2. Strike the entirety of this section.

**Subtitle C - Workforce Development Matters**

This section authorizes \$80 billion in funding for worker training, apprenticeships, and workforce development programs. Ideally, Washington should not be involved in job training or retraining, but instead allow private sector actors to take the lead.

*Recommended changes*

3. Strike the entirety of this section.

**III. NTU's Thinking on the Combined Reconciliation Package**

As the authorizing committees in Congress work on separate reconciliation bills, NTU wishes to inform Members and their staff that we have several significant concerns with the current framework of the overall, combined reconciliation effort. This proposed legislation would spend a staggering \$3.5 trillion -- likely adding trillions to the national debt and severely harming the economic recovery effort. If the combined reconciliation bill came to the House or Senate floor today, we would advise Members to vote "NO" on the legislation. The bill would be **heavily weighted** in NTU's annual rating of Congress.

**IV. Contact Information**

Should you have any questions about the recommendations in this memo, please do not hesitate to reach out to Thomas Aiello and [Thomas.Aiello@ntu.org](mailto:Thomas.Aiello@ntu.org)