



1201 16th St., N.W. | Washington, DC 20036 | Phone: 202.833.4000

Dennis Van Roekel  
*President*

Lily Eskelsen  
*Vice President*

Rebecca S. Pringle  
*Secretary-Treasurer*

John I. Wilson  
*Executive Director*

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U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

On behalf of the National Education Association's (NEA) 3.2 million members, we would like to reiterate our strong support for H.R. 4213 – the American Jobs, Closing Tax Loopholes, and Preventing Outsourcing Act. We urge you to vote YES on this important bill, which would provide critical pension funding relief, extend the deduction for educators' out-of-pocket classroom supply expenses, provide essential Medicaid funding relief for states, extend unemployment and COBRA health benefits, and extend the TANF Emergency Fund. **Votes associated with these issues may be included in the NEA Legislative Program for the 111<sup>th</sup> Congress.**

- **Pension funding relief** is essential to help single-employer and multi-employer defined benefit plans deal with losses incurred as a result of the cataclysmic financial market collapse of late 2008 and early 2009. In particular, we strongly support provisions that would allow single-employer plans to amortize recent market losses over 15 years, and multi-employer plans to amortize the losses over 30 years. No matter how conscientiously a sponsor might have previously funded its defined benefit pension plan, it could not have predicted or been prepared to withstand a 40 percent decline in the market value of the plan's assets within a nine-month period. The pension relief provisions in H.R. 4213 will save sponsors from having to cover the extraordinary, short-term investment losses with an immediate huge cash contribution, thereby sparing them being put in impossible financial positions.
- The **educator tax** deduction recognizes the financial sacrifices made by teachers and paraprofessionals, who often reach into their own pockets to purchase classroom supplies. Studies show that teachers are spending more of their own funds each year to supply their classrooms and purchase essential items such as pencils, glue, scissors, and facial tissues. During the 2005-2006 school year, educators' out-of-pocket expenses totaled nearly \$2,000 – \$826 for classroom supplies and \$926 for instructional materials on average. The deduction expired at the end of 2009; H.R. 4213 would extend it for an additional two years.
- H.R. 4213 would also extend for six months the **enhanced federal matching funds for state Medicaid programs (FMAP)**. This extension will provide an incentive for states facing dramatic budget shortfalls to commit resources to Medicaid while helping ensure services for beneficiaries. In addition, it will relieve some of the current budget pressures that would otherwise force additional cuts to education and healthcare services. The new fiscal year for states begins on July 1, but the current Federal FMAP funding ends in December, the middle of their fiscal year. Without the extension, states will have to close budget gaps with brutal

cuts that could cost the economy 900,000 jobs in the near term and more than three million by 2012. Every dollar of federal Medicaid relief results in \$1.41 in increased economic activity, which translates into stronger economic growth.

- H.R. 4213 would also **extend unemployment benefits and COBRA health benefits through the end of 2010**. These benefits are important life-lines for over 6 million workers and their families, and they provide much needed economic stimulus to communities throughout the country.
- Finally, the bill would **extend the TANF Emergency Fund** (currently scheduled to expire on September 30, 2010) through FY2011. Without an extension, the 28 states and DC currently operating subsidized jobs programs will start winding down their programs in the next month. These programs have put over 180,000 people back to work at a very low cost per job and have helped businesses hire earlier than they otherwise would have. Many state budgets have assumed the extension of the Emergency Fund; if it is not extended, state budget shortfalls will likely force severe cuts in programs serving the most vulnerable families with children.

Again, we strongly urge your support for this important legislation.

Sincerely,



Kim Anderson  
Director of Government Relations