

# AFSCME

## Legislative Fact Sheet

Department of Legislation • TEL (202) 429-5021 or (800) 732-8120 • FAX (202) 223-3413 • E-MAIL [legislation@afscme.org](mailto:legislation@afscme.org) • [afscme.org](http://afscme.org)

## **Federal Aid for Schools, Teachers, Police and Firefighters Will Save and Create More Than 400,000 Jobs**

The Teachers and First Responders Back to Work Act (S. 1723), a scaled-down version of President Obama's American Jobs Act, provides vitally needed employment as well as services for communities all across America. It will help local governments plug holes in their budgets after years of budget shortfalls caused by our national economic crisis. And, it will avoid layoffs that are dragging the economy down by providing funding to states and localities to keep more than 400,000 teachers, firefighters and police officers on the job. And, it pays for these boosts to the economy fairly and progressively, by levying a modest surtax on annual household adjusted gross incomes above \$1 million, which would affect less than 1% of taxpayers. This legislation is a critical first step towards putting America back to work, and we urge Congress to pass it quickly.

Local governments have suffered greatly from reduced revenues. Due to the persistent economic downturn, tax revenues that fund schools and other local services, especially property taxes, have been depressed for several years. Tight federal budgets have reduced funding to states and localities. And, as state governments are suffering through the fourth year of serious fiscal problems, they have drastically cut revenue-sharing and other state aid to local governments. Among the results: Cleveland has laid off 123 police officers and 321 full-time employees total due to this year's state budget; Michigan has cut \$16 million to the city of Troy over the past decade, which amounts to two-thirds of its police budget and more than its entire road maintenance budget; New York City laid off 672 school workers earlier this month, with more layoffs expected; Nebraska has eliminated state aid to cities and counties entirely. Since the official end of the recession in June 2009, state and local governments have eliminated 600,000 jobs, driving up the unemployment rate and dragging down the overall economy.

S. 1723 is a robust jobs plan that will help alleviate the economic tailspin in states and localities by providing \$30 billion in grants to states to avoid teacher and other school personnel layoffs in K-12 education, and \$5 billion for a Community Oriented Policing Stabilization Fund to be used to hire, rehire or retain career law enforcement officers, with \$1 billion set aside for grants to support hiring, rehiring or retaining first responders.

To pay for these jobs in education and public safety – and all the societal benefits that accrue from increased federal investments in these state and locally-provided services – this legislation would levy a modest surtax on the highest earning Americans. According to an analysis of the “Buffett Rule” released last week by the nonpartisan Congressional Research Service, roughly one-quarter of millionaires pay a smaller percentage of their income in federal taxes than a significant proportion of moderate-income taxpayers. Certainly, a small surtax on millionaires and billionaires is fair. And, it will enable more than 400,000 Americans to retain their jobs or get hired in education and public safety, stabilize state and local government budgets, and benefit all Americans through improved public education and safer and more secure communities.

We need this legislation to help bring our country out of its worst jobs crisis since the Great Depression. We have no time to waste. We urge Congress to pass this bill now.

*Department of Legislation  
October 2011*

**American Federation of State, County and Municipal Employees, AFL-CIO**

1625 L Street, NW • Washington, DC 20036 • Gerald W. McEntee, *International President* • Lee A. Saunders, *International Secretary-Treasurer*