

that increases the deficit by \$1.5 trillion over a decade.

What would get cut? Some programs, like Social Security and unemployment benefits, are spared. But plenty of others are seriously exposed. While there are limits on how much Medicare would be pared back, it would still be slashed by \$25 billion.

The rest of the \$111 billion would have to come from other mandatory government programs, and because most have no protection, they would be reduced to barely any funding or nothing at all. That includes block grants for things like Meals on Wheels, farm aid like the crop insurance fund, the Temporary Assistance for Needy Families program and the National Flood Insurance Program.

Some of the reductions would be huge: the Department of Justice's Crime Victims Fund, which gives states money to help victims with medical expenses and counseling, faces a \$13.5 billion cut. Others have sources of funding that aren't subject to Paygo but still take a hit, like the Women, Infants and Children program that provides food to low-income mothers and would be cut by \$1 million.

Some cuts would probably rankle Mr. Trump as much as anyone else. Border protection would face a potential \$1.3 billion cut. Immigration and Customs Enforcement would be slashed by \$318 million. H-1B visa fraud protection would be cut by \$45 million.

All of this happens without Congress lifting another finger. The Republican leaders Mitch McConnell and Paul Ryan have claimed that Paygo cuts won't happen because Congress will waive them. But that requires help from Democrats, who have been completely shut out of tax reform and may have little appetite for cooperation.

Many Republicans have claimed that the tax bill won't cost the government any extra money. The Treasury Department put out a one-page paper on the Senate-passed version that said it would be paid for by economic growth. But the threadbare analysis was able to come to that conclusion only by assuming that Congress passed other legislation, such as an infrastructure bill.

All nonpartisan analyses say otherwise. The conservative Tax Foundation

Opinion | CONTRIBUTING OP-ED WRITER

The Trojan Horse in the Tax Bill

Bryce Covert DEC. 20, 2017

Congressional Republicans have finally done it: Both the House and Senate passed tax legislation. The bill has now headed to President Trump's desk for his signature.

Most dissection of the plan has focused, for obvious reasons, on the way it changes our tax bills. The Tax Policy Center found that in the first years most people would get a tax cut, although the biggest cuts are reserved for the wealthiest. By 2027, lower- and middle-income Americans would get no benefit or actually pay more in taxes.

But this bill also serves as a setup for steep government cuts. Programs from Medicare to flood insurance to food stamps will be at risk the moment President Trump's signature dries. Some reductions would be inflicted automatically. Others, Republicans will pursue with a handy justification — the revenue hole created by their own legislation.

Under the Pay-as-You-Go Act of 2010, or Paygo, the Office of Budget and Management has to order automatic spending cuts if legislation passed by Congress is set to increase the deficit and the rules aren't waived or the loss isn't covered by new revenue. According to a Congressional Budget Office analysis, spending cuts would have to total \$136 billion for a bill, such as the tax legislation,

found that the Republican bill will reduce government revenues by \$1.47 trillion over a decade, and even assuming growth helps cover the cost it would still come up \$448 billion short. The Penn Wharton Budget Model finds that it will cost at least \$1.8 trillion over 10 years. The nonpartisan Joint Committee on Taxation found that the Senate-passed version — which differed a bit from the final legislation, but not enough to radically change the numbers — would not pay for itself, costing about \$1 trillion.

If these models are right and the bill does add to the deficit, Republicans have already said they'll cut government spending further.

Jeb Hensarling, Republican of Texas, has insisted that the cost of the tax bill will be covered by economic growth. But, he told Bloomberg, "If not, as a Republican, the answer would be less spending, not more tax."

Others have admitted that no matter what happens, they'll call for spending cuts. Marco Rubio told an audience in late November that tax reform is only one side of the Republican plan; the other is to reduce government programs: "You are still going to have a debt problem in the absence of spending cuts."

Mr. Ryan sounded the same note, saying, "We've got a lot of work to do in cutting spending." Mark Sanford, Republican of South Carolina, was even more blunt. Will the tax bill "help on the margin? Yes. Will it do as much as people advertise? Probably no," he said. "The real conundrum that we still have to deal with if you really care about debt and deficit is spending."

Republicans so far haven't decided exactly what will get the ax. "We're going to have to get back next year at entitlement reform, which is how you tackle the debt and the deficit," Mr. Ryan recently said, specifying "health care entitlements" in particular. Orrin Hatch singled out "liberal programs" for the poor.

That could mean a lot of things, but Medicare, Medicaid and Social Security are all at risk when so-called entitlements are on the cutting board.

Others, including Mr. Ryan, are also focused on what they're calling "welfare reform," or changes to anti-poverty programs. "For us to achieve 3 percent G.D.P. growth over the next 10 years from tax reform, we have to have welfare reform,"

according to Rod Blum, Republican of Iowa.

The president is also on the welfare reform bandwagon. "We're looking very strongly at welfare reform, and that'll all take place right after taxes, very soon, very shortly after taxes," he said in November.

Republicans will almost certainly focus on instituting work requirements in programs where they don't already exist, namely Medicaid and food stamps. But most adults on Medicaid already work; those who don't are primarily people with an illness or disability, caring for family members, in school, or retired. A work requirement will simply take health coverage away from them. Similarly, many childless adults already have to work to get food stamps. Stricter requirements will kick very poor people off the program who tend to struggle with finding a job anyway. Existing work requirements don't help people find jobs, but simply penalize them.

Republican leaders have wanted to do this for a long time. Mr. Ryan has been salivating over cutting Medicare, Medicaid and Social Security for as long as he's had a political career. Mr. Trump's 2018 budget proposal, released well ahead of the tax legislation, named "welfare reform" one of its core pillars.

But now that they've succeeded in passing a tax package that will reduce government revenues so much, the ensuing cost will serve as the excuse to get everything else they want. They'll count on our short memories to forget who created larger deficits in the first place. Those deficits will serve as the motivation to enact cuts they've sought all along. The tax bill isn't just a regressive giveaway to corporations and the rich. It's a Trojan horse with deep government reductions stuffed inside.

Bryce Covert is a contributor at The Nation and a contributing opinion writer.

Follow *The New York Times Opinion* section on Facebook and Twitter (@NYTopinion), and sign up for the *Opinion Today* newsletter.

© 2018 The New York Times Company

Education

Here's what the GOP's proposal to overhaul the tax code means for schools, students and parents

By [Moriah Balingitt](#), [Danielle Douglas-Gabriel](#)

December 18, 2017 at 7:55 PM

Republicans backed away from some of the most controversial education proposals in their finalized tax bill Friday, leaving in place a school supply deduction for teachers and breaks for student borrowers while also declining to tax tuition benefits, a prospect that had infuriated graduate students.

“On balance, the final bill is far better news — especially for students and families — than it could have been,” said Terry W. Hartle, senior vice president of the American Council on Education, which represents colleges and universities.

Related: [\[The final GOP tax bill is complete. Here's what is in it.\]](#)

But public school advocates assailed the plan, which includes provisions that could hurt public school funding while providing tax breaks for parents who send their children to private schools.

Five groups that represent public school superintendents, school business officials and rural schools authored a letter opposing the tax overhaul, saying it “includes provisions that undermine the strength of our nation’s public school systems and compromises the ability of these systems to adequately and effectively provide educational opportunities and services to the students they serve.”

Here’s a round up of some of the ways the tax bill could affect parents, educators and students.

It's good for parents of private school children and a win for school choice.

Under current law, tax-free 529 college savings accounts can be used only to pay for college. But the Republican proposal allows parents to use that money — up to \$10,000 a year per child — to pay for private K-12 school tuition and home-schooling. Education Secretary DeVos has applauded the provision, calling it “a good step forward, reflecting that education should be an investment in individual students, not systems.”

Other advocates of school choice have pointed out that it largely benefits wealthier families who can afford to save for private schools. And public school advocates say it gives parents incentives to leave public schools, and that harms districts that rely on education funding based on how many pupils enroll.

It's good for teachers who reach into their pockets to pay for school supplies.

Teachers spend about \$500 of their own money on school and classroom supplies, according to one survey. In 2002, Congress gave educators who shelled out for pencils, art supplies, paper and other school supplies a \$250 tax break. The House bill sought to eliminate that, leading to an outcry from cash-strapped teachers. The Senate bill aimed to double the deduction to \$500. The final plan leaves the deduction at \$250.

Related: [\[Teachers spend nearly \\$500 a year on supplies. Under the GOP tax bill, they will no longer get a tax deduction.\]](#)

It may be bad for public school funding at all levels.

The proposal curtails the ability of taxpayers to deduct state and local taxes from their federal tax bill, limiting the deduction to \$10,000. By increasing the federal tax burden on individuals, advocates worry that states, counties and school boards will have a tougher time raising money for schools, which get most of their resources from state and local tax revenues.

Public colleges and universities could also see a ripple effect. Though people

will be able to deduct up to \$10,000 in state and local taxes, that might not be enough to relieve pressure on states to cut their own taxes to compensate. And that could reduce revenue for public colleges and universities, which down the road could raise tuition to offset the loss of funding.

Related: [\[The GOP tax reform bill helps Betsy DeVos's school choice agenda, but worries public education advocates\]](#)

Additionally, the legislation bans school districts from using one kind of tax-free method to refinance their school bond debt, a move that has helped districts save millions of dollars, according to John Musso, executive director of the Association of School Business Officials International.

It could be good for tax credit scholarships that fund private school education.

Several states have tax credit scholarship programs that offer generous tax breaks — sometimes dollar-for-dollar tax credits — for donating to special state-administered scholarship programs that help families pay for private schools. With the curtailing of the state and local tax deduction, some are predicting wealthier people will pour more money into tax credit scholarship funds to reduce their state tax burden.

It's good for graduate students and university employees.

Republicans backed away from House proposals to tax the value of college tuition benefits that universities provide graduate students and campus employees.

Thousands of graduate students staged walkouts across the country and called members of Congress to ensure that the tuition waivers they receive for working as teachers and research assistants were not counted as income. Their efforts were bolstered by the Senate's decision to exclude the proposed repeal in its tax plan. A group of 31 House Republicans also asked party leaders to abandon the provision, arguing it would place an unfair burden on students.

Graduate students were also spared the loss of the Lifetime Learning Credit,

a tax credit for up to \$2,000 spent on tuition, books and supplies. People pursuing advanced degrees rely on the credit because there is no limit on the number of years it can be claimed, unlike the American Opportunity Tax Credit, which is good for only the first four years of college. House Republicans had proposed consolidating the tax credits into one that would be available only for five years, effectively limiting its usefulness to graduate students.

Campus employees scored a win in the final bill, which excluded a House provision to tax the tuition benefits they receive.

Janitors, secretaries and other employees at most colleges are afforded discounted or free tuition for themselves, their children and spouses. More than one-third of employees who take advantage of this benefit earn less than \$50,000 a year, according to a survey from the College and University Professional Association for Human Resources.

It's good for anyone paying for college.

People whose employers cover a portion of their college costs no longer have to worry about the money becoming taxable income, because the final bill excludes a House proposal that would have taxed that benefit.

It's a mixed bag for colleges.

Let's start with the good news. The final legislation axes a House provision that would have gotten rid of interest-free bonds that many private colleges use to fund construction on campus. It also holds the line on increasing the taxes colleges pay on unrelated business income, such as the money a school earns selling coffee mugs at the campus bookstore.

The not-so good news: Colleges can no longer use a loss in one business venture to offset a gain in another as a strategy to lower their taxes.

Republicans adopted a Senate proposal requiring tax-exempt organizations, such as universities, to calculate losses and gains for each activity — a move that schools have said will raise their tax burden. The bill delivered Friday also gets rid of another form of bond financing that universities rely on to refinance debt at lower interest rates, known as advanced refunding bonds.

CONTINUED
ON-LINE...

Shutdown threat revived as Congress returns

Congressional leaders and White House officials will meet to hash out a budget agreement they've put off for months but can't delay anymore.

By SARAH FERRIS and JENNIFER SCHOLTES | 01/02/2018 06:55 PM EST | Updated 01/02/2018 09:59 PM EST

Another shutdown showdown looms this month, and Congress isn't even back yet. Happy New Year, Washington.

Congressional leaders from both parties will sit down with top White House officials on Wednesday to haggle over the basics of a budget deal they were supposed to settle last spring. And while aides say the talks will stick to spending, a fight over immigration looms, along with a host of other thorny policy disputes that will shape the 2018 legislative agenda.

Ahead of the meeting, there was little sign of conciliation on either side.

House Minority Leader Nancy Pelosi sent a letter to her Democratic colleagues on Tuesday insisting that Democrats would demand higher domestic spending. President Donald Trump tweeted a broadside at Democrats, saying the party is "doing nothing for DACA — just interested in politics." That missive came days after Trump egged on Democrats over his plan to eliminate the Deferred Action for Childhood Arrivals program, tweeting that "there can be no DACA deal" without a wall along the U.S.-Mexico border — which Democrats have ruled out.

Whether the parties can reach a deal on immigration is still unclear, but one certainty is that they need to come together by Jan. 19 to avoid a shutdown.

The key players meeting Wednesday afternoon at the Capitol are Pelosi, Senate Minority Leader Chuck Schumer, House Speaker

Paul Ryan, Senate Majority Leader Mitch McConnell, White House legislative director Marc Short and Budget Director Mick Mulvaney.

Republicans are eager to separate a debate on Dreamers from the latest budget fight, with White House officials saying Tuesday that the meeting's focus will be on raising stiff budget caps for defense and domestic programs over the next two years — not on immigration.

"The president wants a two-year budget deal that provides realistic budget caps, and provides certainty for our national security," White House press secretary Sarah Huckabee Sanders told reporters Tuesday. "That'll be the focus, front and center, for the conversations that are taking place this week."

Sign up here for POLITICO Huddle

Daily play-by-play of congressional news in your inbox.

Your email...

By signing up you agree to receive email newsletters or alerts from POLITICO. You can unsubscribe at any time.

A senior congressional aide said the meeting was called by the speaker's office, with the topic focused specifically on trying to reach a budget caps deal.

But Democratic votes will be needed for any spending measure, giving them leverage to force the issue.

Wednesday's meeting is the first of several key strategy sessions taking place in the coming days. Trump is meeting with Ryan and McConnell at Camp David this weekend to map out the GOP agenda, including whether and how to tackle welfare programs, health care and infrastructure. House and Senate Republicans will hold their annual joint retreat at month's end.

However, even if a budget deal can be clinched soon, aides and lawmakers say Congress still will likely need to pass another short-term funding bill to avoid a shutdown later this month. That would mark the fourth patch in as many months.

"Until we have an agreement, I don't think you have a choice but to think about another CR," Rep. Tom Cole (R-Okla.), a longtime spending leader, told POLITICO on Tuesday. He said he expects another continuing resolution to last possibly through Presidents Day.

"We've been waiting 110 days for five people to come to a deal, and they're holding up the entire funding of the government of the United States because they can't sit down and find a common number," Cole said, though rank-and-file Republicans also acknowledged they previously slow-walked spending negotiations to avoid derailing their tax overhaul push.

Democratic leaders say they'd be willing to back another stopgap bill as long as both parties have agreed to an overall budget

"If you have a situation where everything is done and this is just about inking the deal, then it's not going to be controversial to do a short-term CR," a Democratic House aide said.

Along with immigration, the parties are split over federal spending levels.



WHITE HOUSE

White House aides already anxious about 2018

By ELIANA JOHNSON, ANNIE KARNI and ANDREW RESTUCCIA

Democratic leaders have demanded a spending deal that matches every additional dollar spent at the Pentagon with a dollar for domestic programs.

Republicans have blasted the idea, accusing Democrats of holding the Pentagon hostage to their domestic priorities. Some conservatives say they'd prefer that Trump attend the meeting. But with two of the administration's most fiscally conservative officials at the other end of the negotiating table, Democrats may be hard-pressed to secure their demands.

In her letter to Democrats on Tuesday, Pelosi said she and Schumer will "continue to insist on parity" in the defense and nondefense budget caps during the Wednesday meeting. She also said they will be fighting for additional spending on veterans programs, disaster relief, the National Institutes of Health, the Children's Health Insurance Program, community health centers, combating the opioid epidemic and propping up faltering pension plans.

Other key deadlines Congress must address by Jan. 19 include extending federal spying powers under the Foreign Intelligence Surveillance Act and reauthorizing the National Flood Insurance Program.

Lawmakers also are under pressure to quickly approve a massive disaster relief package to help communities rebuild from deadly hurricanes and wildfires last year and to raise the debt ceiling before the nation reaches its borrowing limit in the next few months.

All of those issues were nipped at the end of last year

While Pelosi also wrote in her letter that Democratic leaders are "firmly committed to swiftly passing the DREAM Act," the letter was silent on a demand for a DACA fix in return for their support of a spending agreement.



Hatch's retirement will open coveted Finance Committee post

By JENNIFER HABERKORN, SEUNG MIN KIM and BRIAN FALER

Instead, congressional leaders have chosen to let a group of negotiators in the Senate try to strike a deal that would offer permanent protection for Dreamers — undocumented immigrants who arrived in the United States as minors — while including border security and other restrictive immigration provisions.

The informal group of seven senators, including Sens. Dick Durbin (D-Ill.) and Jeff Flake (R-Ariz.), have been quietly working with White House officials on the issue.

Late last month, White House chief of staff John Kelly pledged to send senators a list of immigration provisions that the Trump administration wants to see attached to any agreement for Dreamers. But the White House has yet to send over such a list, three congressional aides said Tuesday.

Senators have been open to modest boosts in border security and have discussed somewhat restricting the ability of Dreamers to sponsor relatives for permanent residency. McConnell has said he would bring an immigration bill to the Senate floor by the end of January if lawmakers and the White House can reach a compromise.

Heather Caygle and Seung Min Kim contributed to this report.

The Fix • Analysis

Will the government shut down in January? Never say never.

By Amber Phillips January 3 at 9:14 AM

It would be remarkable if the government shut down under Republicans' watch, less than a month after their tax victory. But it could happen anyway.

Congress has until Jan. 19 to pass a long-term spending bill that funds the government for the next year. And Congress is most skilled at blowing past important deadlines.

In fact, the only reason Jan. 19 is a deadline is because Congress kicked the can down the road over Christmas, after kicking the can down the road earlier in December, after kicking the can down the road in September, and on and on.

Keeping the government open requires both parties to compromise with each other (gasp!). Republicans need Democrats to pass a spending bill, since a sizable block of House Republicans probably won't vote for it, and in the Senate, Democrats can filibuster it. On top of everything, President Trump is one of the most unpredictable presidents of the modern era.

While four budget experts who spoke to The Fix think it's more likely than not Congress will pass something to keep the government open this month, they also say that to avoid a shutdown, Congress will have to solve three intractable problems. Here they are, in order of impact they could have on the

spending debate:

1. To raise or not to raise spending caps

Trying to fund the government on a budget is hard. Trying to fund the government under a strict budget law that automatically cuts spending anytime you break your budget is nearly impossible.

That's why both sides say it's a priority to find a way to lift mandatory spending cuts put in place with the 2011 budget deal. But Republicans are focused on raising the caps for military spending to give Trump his requested increase of about \$100 billion. Democrats are demanding a dollar-for-dollar raise on domestic spending, too. (Things like housing programs, Pell grants, and food and job assistance.) That could turn off some fiscally inclined Republicans, putting the whole spending bill in jeopardy, and cause a shutdown.

On this, budget experts think both sides have an incentive to work out a deal. Republicans and Trump are fresh off a tax victory, and Democrats don't want to position themselves as obstructionists.

“Democrats and the president want to be open to a more bipartisan approach to governing,” said Maya MacGuineas, president of the bipartisan Committee for a Responsible Federal Budget, “and this will be their first attempt.”

2. Democrats go to the mat for ‘dreamers’

A chunk of Democrats' left wing is fuming that leadership punted last month on seizing a deal to protect young undocumented immigrants, known as dreamers. (Trump ended their Obama-era protections in September, tossing their future to Congress. In December, Republican and Democratic congressional leaders struck a deal to push the debate on dreamers to 2018.)

But for many Democrats, this debate has been pushed back long enough.

Steve Bell, a former GOP Senate budget aide now with the Bipartisan Policy Institute predicts there has to be some kind of immigration deal within or closely tied to the spending bill to get Democrats on board.

There is a bipartisan group in the Senate trying to put a deal together. Powerful GOP senators such as John Cornyn (Texas), Charles E. Grassley (Iowa), John McCain (Ariz.) and Jeff Flake (Ariz.) support dreamer protections. But it seems that for every Republican who wants dreamers protected, there is another Republican who sees it as amnesty.

Then there's Trump. He is giving some seriously mixed signals on whether he wants to protect dreamers. Now, he is demanding money for his border wall in exchange for extending protections. A wall is a nonstarter for most congressional Democrats and Republicans.

If the two sides can't find a compromise, and if Democrats really push the issue, expect a shutdown.

“Government funding may depend on a deal with Democrats on” dreamers, said Stan Collender, a nonpartisan budget expert and Forbes columnist, “and Trump may not be willing to do that without money for his wall.”

3. How long (and how much) they should fund the Children's Health Insurance Program

Lawmakers on both sides generally agree they need to refund CHIP, a program 9 million children rely on that Congress let expire in September. Right before the holidays, Congress infused \$3 billion to keep it afloat for the next few months.

It's not clear whether this particular funding battle will be tied to the overall spending bill, but it's a policy issue that Democrats could use as leverage, if their other plans fall through.

Any spending bill will need Democratic votes. But Democrats have more

leverage when Republicans aren't unified on what they want, pointed out Molly Reynolds, a congressional analyst with the Brookings Institution. In the past, House conservatives have revolted on voting for spending bills, which meant House Speaker Paul D. Ryan (R-Wis.) — and John Boehner before him — had to go to Democrats to ask for votes.

“Anything obviously needs nine votes from Senate Democrats (welcome, Doug Jones!),” said Reynolds, “but it's harder for Democrats to demand more if their votes aren't also needed for things in the House.”



GOP Gets No Better Than A D- For Avoiding A Government Shutdown

Stan Collender, CONTRIBUTOR

Dec 23, 2017 9:00 AM 2,442 👁

President Donald Trump on Friday after signing the 3rd [+] continuing resolution that prevented a government shutdown. (AP Photo/Evan Vucci)

Republican leaders were probably high-fiving each other big time last Thursday when they managed to push through yet another continuing resolution to avoid a government shutdown. No doubt they'll refer to it as one of their crowning legislative achievements and, along with the just-enacted tax bill, one of the signature accomplishments of the GOP House and Senate majorities.

But rather than being an accomplishment, [the GOP passing this CR is the political equivalent of it getting a D- rather than an F in a course it's taking on Congress.](#) It's clearly better than the alternative — in this case, of having a government shutdown — but it absolutely isn't anything to be proud of or to write home to their parents/constituents about.

Here's why the GOP congressional leadership shouldn't be allowed to get away with characterizing this CR as a success.

Fiscal 2018 started three months ago and Congress still hasn't adopted any of the 12 regular appropriations. Appropriations are one of Congress's most basic responsibilities. Even if the GOP leadership was preoccupied with trying to repeal and replace the Affordable Health Care Act and enacting a tax cut, there's no reason the House and Senate Appropriations Committees — which had little or no involvement in either the health care or tax debates — couldn't have moved ahead and the leadership couldn't have committed time to their adoption.

This Was The Third FY 2018 CR In Less Than Three Months. The first might have been acceptable given that, as is typical of a newly elected president, the Trump 2018 budget was sent to Congress so late this year. But the second and third were not.

The GOP Leadership Has Thumbed Its Collective Noses At The 2018 Appropriations. There was no deadline or economic imperative for the tax bill other than Trump's irrational insistence that the GOP pass it by Christmas, but the Republican leadership gave it priority over the fiscal 2018 appropriations that, by law, were supposed to be adopted by October 1.

Continuing Resolutions Are A Nightmare For Federal Departments And Agencies.

Departments and agencies essentially are frozen in place while a CR is in effect. Except in very limited circumstances, they are prohibited from starting anything new and must continue to implement the previous year's priorities even when they're no longer appropriate. In addition, CR's eventually force a department or agency to implement their full-year appropriation (when or if it's finally enacted) in less than a full-year. That typically intensifies the negative effect of any cuts or causes a madcap (and often wasteful) scramble to implement an increase.

It's not that continuing resolutions are unusual. If anything, they've become far more commonplace since 1974 when the Congress changed the start of the fiscal year to October 1 from July 1 to...wait for it...make it less likely CRs would be needed.

But the fact that CRs have become more common doesn't mean they're also more acceptable. They're not, and the GOP leadership should be chastised rather than praised for relying on them.

Follow Stan Collender on Twitter at [TheBudgetGuy](#)

Loading ...

Recommended by **Stan Collender**

GOP Tax Bill Is The End Of All Economic Sanity In Washington

Trump Has Redefined Hypocrisy

Will GOP Cut Social Security And Medicare Before Or After The 2018 Electio...

JAN 1, 2018 @ 07:00 AM

11,982



EDITOR'S PICK

[The Little Black Book of Billionaire Secrets](#)

2018 GOP-Led Tax And Spending Debate Will Be Even Worse Than Last Year



Stan Collender, CONTRIBUTOR

[FULL BIO](#) ▾

Opinions expressed by Forbes Contributors are their own.

TWEET THIS



This year's spending and tax debate is going to be worse than last year's, and 2017 was an absolute slum of a year as far as the federal budget is concerned.



there was nothing about what the Republican House and Senate majorities and Trump administration did that had any redeeming value.




Photo by Chip Somodevilla/Getty Images

First...before I tell you something different...happy new year!

Second... This year's spending and tax debate is going to be worse

than last year's, and 2017 was an absolute slum of a year as far as the federal budget is concerned. 

From trying to discredit and dismantle the Congressional Budget Office to ignoring the trillion-dollar deficit increase projected by the Joint Committee on Taxation from the Trump Family and Friends Tax Cut, to misusing and abusing the congressional budget process, to coming close to 3 government shutdowns, to not even trying to enact any of the 12 regular 2018 appropriations by the start of the fiscal year, to enacting what may well be the [most nonsensical and damaging tax policy in U.S. history](#), there was nothing about what the Republican House and Senate majorities and Trump administration did that had any redeeming value. 

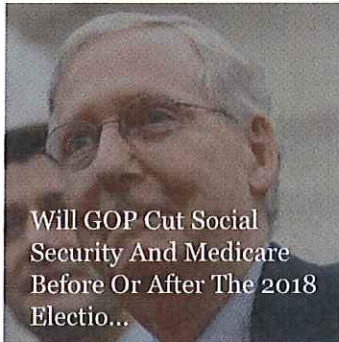
But all those very black marks will be even worse this year for four overriding reasons.

1. This is an election year so Congress is going to have less time to do much of anything. There will be frequent and longer congressional recesses in 2018 than there were in 2017 so incumbents running for reelection can spend more time in their districts or states. With political control of the House and Senate now seriously in question, the GOP's and President Trump's polling numbers in the toilet and Republicans increasingly worried about a Democratic wave, there's no chance this will change. And "less time" doesn't even take into account the fact that Congress still hasn't made the final decisions for fiscal 2018 and will have to devote a month or so to finishing that before it can start to deal with fiscal 2019.

2. A reduced Republican Senate majority will definitely complicate matters. The one-vote change from 52-48 to 51-49 because of Doug Jones's (D-AL) win over Roy Moore in December will make agreements among Senate Republicans and between the House and Senate GOP on any issue far more difficult, but especially on anything having to do with taxes, spending, the deficit and national debt. Majority Leader Mitch McConnell (R-KY) will have a smaller margin, and each Republican senator will have even more incentive to withhold his or her vote to get something.

3. The final decisions for fiscal 2018 haven't yet been made, and the latest continuing resolution that funds all federal departments and agencies expires on January 19. Democrats are insisting that the next funding bill include a resolution of The [Deferred Action for Childhood Arrivals](#) situation while Trump is saying he [won't agree to anything on DACA](#) (and, therefore, 2018 appropriations) without money for his wall.

Recommended by Forbes



On top of everything else, a government shutdown will be far more acceptable this year to many representatives and senators than it was this past December both because the holidays will be over and because it could be valuable to show their base they were willing to go to extremes to do what they promised.

4. Although McConnell [has already said](#) the Senate won't consider it, the House, [led by Speaker Paul Ryan](#) (R-WI), seems hell-bent on considering big spending cuts in the undefined category of "welfare reform." While there have been [some indications](#) that Social Security, Medicare and Medicaid may not be included in this group, House GOP uber-conservatives seem to think this is the exact right time to do what was previously unthinkable.

With all this in mind, here are the top five federal spending and taxing things to watch for this year.

A Late Or Totally Inconsequential Trump 2019 Budget. By law, the president is supposed to send his 2019 budget to Congress by February 5, but it's hard to imagine how he's going to do that given that final decisions on fiscal 2018 spending levels aren't likely

to be made until the end of January. If the Trump budget is developed without taking 2018 numbers into account, it will be dissed and dismissed as irrelevant from the moment it's released. If the White House waits until Congress is finished with 2018, the Trump 2019 budget may not be ready until late February at the earliest. Either possibility will greatly complicate this year's budget debate.

More Trump/GOP-Proposed Huge Increases In The Budget Deficit And National Debt. Much of this year's GOP agenda involves proposals that will increase the deficit and national debt beyond the multitrillion-dollar increase that it already agreed to in the 2017 tax bill. If enacted, a "technical corrections" tax bill (see below), a tax-based infrastructure plan, more money for the Pentagon and additional natural-disaster-related aid could increase the federal deficit to more than \$1.2 trillion a year starting in 2019.

A Massive "Technical Corrections" Tax Bill. Newly enacted tax laws often require that Congress consider a technical corrections bill the following year to fix drafting or policy problems that inadvertently or otherwise happened because of the original legislation. This technical corrections will be different for three reasons. First, the original bill was drafted so haphazardly with so little review that there almost certainly are substantial errors that need to be corrected. Second, there's almost no doubt that there are other tax cuts that weren't included in the 2017 tax bill that House and Senate Republicans want to enact in 2018. Third, the GOP leadership almost certainly wants to use a technical corrections bill to extract another round of campaign contributions before the election from tax lobbyists.

A Very Very Messy 2019 Budget Resolution. Virtually everything the White House and congressional Republicans want to do this year will require that Congress adopt a budget resolution so that reconciliation can be used for technical corrections, the infrastructure tax break and the mandatory spending cuts the House GOP wants as part of what it's calling "welfare reform." But the 2019 budget resolution will be the first to project trillion-dollar deficits through the end of the Trump administration and that may be difficult for some Republicans to support. Senate Republicans

very likely won't go along with a budget resolution that allows the mandatory spending cuts in reconciliation, but House Republicans may not support one without it.

The Mother Of All Lame Duck Sessions. The limited amount of time, the narrower Senate majority and the highly controversial GOP agenda virtually guarantees that Congress will be in session after the election next November and December and that big taxing and spending decisions will be left until then. This is especially the case if a Democratic wave that threatens the GOP majorities looks more certain, Republicans look at late 2018 as their last chance for at least two years to go big or go home and, [as many expect](#), Ryan decides to leave Congress and no longer fears any voter retribution.

Follow Stan Collender on Twitter at [TheBudgetGuy](#)

4 Things President Trump Wants to Accomplish in 2018



By **TESSA BERENSON** 11:21 AM EST

President Trump notched a major legislative win at the end of 2017, delivering the **tax reform package** he'd promised as a "Christmas gift" to the country. The White House now faces 2018 hoping to channel that momentum into a bold list of domestic priorities for the New Year, including revisiting two failures from his first year in office.

White House spokeswoman Sarah Sanders said Trump's major domestic priorities for reform in 2018 are health care, infrastructure, welfare and immigration.

"The president was elected because of his ambitious agenda and his desire to get a lot of things done," Sanders said in a press briefing on Tuesday, calling those four items "top priorities for the Administration this year."

But the White House faces strong headwinds to achieving any of these goals. While Republicans still maintain a slim majority in Congress, they'll **need cooperation from Democrats** to pass any major pieces of legislation — a fraught proposition, at best. And Republicans have some time pressure to deliver wins before the midterm elections this year.

Here's a look at Trump's major goals for 2018.

Health care

On repealing and replacing the Affordable Care Act, Trump has already claimed a win. "When the individual mandate is being repealed, that means Obamacare is being repealed," **he said** in a Cabinet meeting in December after Congress approved the tax bill. "We have essentially repealed Obamacare, and we will come up with something that will be much better."

The tax plan repeals the individual mandate — a key part of Obamacare that penalizes people without health insurance — beginning in 2019. It's not true to say that the tax bill repeals the health care law, which congressional Republicans have repeatedly tried and failed to do. Experts say Republicans' previous inability to repeal the full law probably presages a failure again this year.

Ad closed by Google

Report this ad

Why this ad? ↗

"I don't see anything that's changed in terms of the lack of support in the Senate," says Gerald Kominski, director of the UCLA Center for Health Policy Research. "I think that it is fruitless to continue to bang your head against the wall if you are not going to get the outcome that you want."

But Trump is correct that in certain ways he's already hobbled the ACA, even if he fell short of an outright repeal.

"Their policies to date are destabilizing and damaging the ACA marketplace," says Kominski. Scrapping the individual mandate, he says, already represents "significant damage" to the law.

Infrastructure

Infrastructure is another one of Trump's campaign promises. Trump has long dangled a promise of \$1 trillion in infrastructure spending, and his Administration is expected to unveil its plan in January. But while the tax bill moved forward on Trump's ambition to kneecap that Affordable Care Act, it could provide a setback here. The tax bill increases the deficit by more than \$1 trillion, which makes a massive spending package trickier to wrangle financially and a harder sell for Republicans politically.

"In the current environment that's going to lead to a lot of skepticism, simply because they've been talking about tax cuts and entitlement reform. And then to say we're going to turn around and have major spending on infrastructure reform, I don't know how they situate that," says Alan Auerbach, director of the Robert D. Burch Center for Tax Policy and Public Finance at Berkeley. "There's not any magic, it has to be real money, and they [made] that real money a lot less available."

The Administration had hoped that an infrastructure package could be a bipartisan win. "I really believe infrastructure can be bipartisan," Trump said in December. "People want it, Republicans and Democrats."

But again, tax reform may have made this more difficult to come by, with the party-lines vote pushing an already-strained sense of bipartisanship in Congress to the breaking point.

Welfare

Trump is expected to roll out an executive order mandating a review of federal safety net programs as soon as January. The Administration could include programs like food stamps, Medicaid and housing benefits in its targets for reform.

"Looking at any of these programs one at a time doesn't tell you anything about the welfare system, in fact, it severely misleads you," says Robert Rector, senior research fellow at the conservative Heritage Foundation. "I expect [the Trump Administration] to present the welfare [plan] and discuss the welfare system holistically."

In this holistic view of welfare reform, Rector expects, the Administration could promote principles such as work requirements, removing marriage penalties from benefits, paying programs for outcomes rather than services provided and moving the cost burden of welfare programs more to the states.

But there are ideological and political divisions even among congressional Republicans on changing the welfare system, and to significantly restructure it, the party would need to unite its most moderate and conservative members. That's a tall order, especially when an inability to do just that helped sink hopes of health care reform in 2017. And the polling on Medicaid and Social Security demonstrates why changing such programs is notoriously difficult: in April 2017, just 12% of U.S. adults said they wanted cuts to Medicaid spending, according to a survey by the Kaiser Family Foundation. In a 2017 Pew survey, 86% of Republicans and 95% of Democrats said they would like to maintain or increase spending for Social Security.

Immigration

Immigration is one of Trump's signature issues, and it remains at the forefront of his domestic agenda in his second year. Within the first days of 2018, Trump will meet with Congressional leaders to discuss an immigration deal. He predicted on Twitter that "DACA activists and Hispanics will go hard against Dems, will start 'falling in love' with Republicans and their President!"



In any deal, Trump has said he wants his campaign-promise border wall, as well as an end to chain migration and the U.S. visa lottery system. Democrats have said they will push Trump hard to protect the Dreamers, and insist that any funding for a border wall is unacceptable.

2018 Congressional Calendar: Senators Plan More Work Days Than House

Both chambers have released their schedules for next year



(Bill Clark/CQ Roll Call)

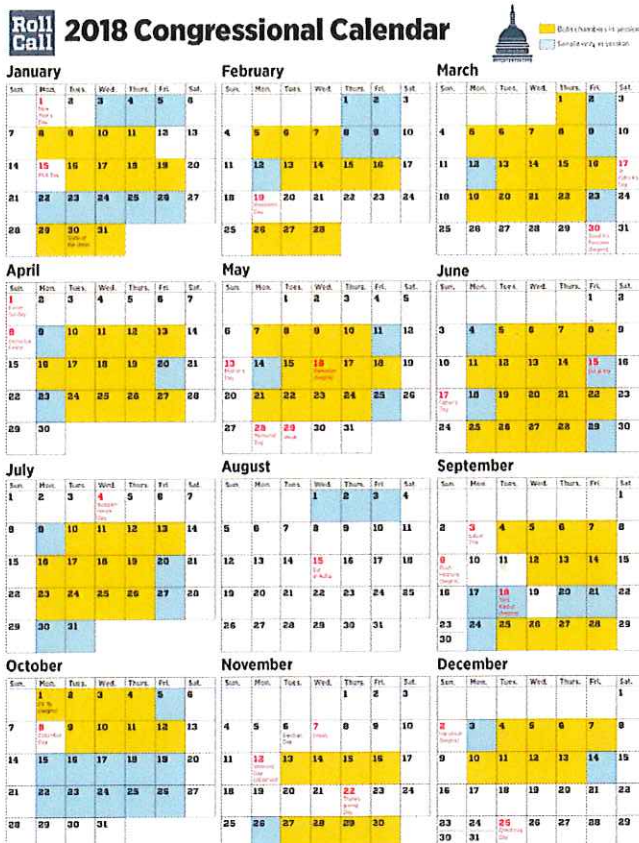
Updated as of 2:25 p.m. on Dec. 22 / Both the House and Senate have released their chambers' plans for gaveling in during 2018. Roll Call combined those schedules into the calendar below.

The Senate will return for the second session of the 115th Congress on Wednesday, Jan. 3. The House updated its calendar on Friday, Dec. 22 to push back its arrival back in town from the Christmas break to Monday, Jan. 8. The House plans to be out of town for three full weeks ahead of Election Day on Nov. 6 (and four weeks total around the election), while the Senate plans to recess for two weeks around the midterm.

The Senate is scheduled to be in session 54 more days than their colleagues across the Capitol Rotunda.

The Senate has scheduled seven fewer days of work in 2018 than it did the previous year. In contrast, the House has plans to work 24 fewer days than its 2017 schedule. It is common for the chambers to adjust their schedules during election years to provide time for campaigning.

You may download a [copy of the calendar here](#).





444 N. Capitol Street, NW, Suite 418
Washington, DC 20001

Home Basics Meetings Members More

Call: 202-624-5455
Email: bryan@nafisdc.org

NAFIS Action Center

Action Alert

Impact Aid Funding Under Threat

Please take action to support the Impact Aid program.

Enter Your Info

[Privacy Policy](#)

Email

ZIP Code

Continue

Compose Your Message

Recipients

- US Senators
- US Representative

Guidelines

Please edit the template letter to include information specific to your school district and Impact Aid.

Message

Subject

Impact Aid Funding Under Threat

Body

I am writing to express my concern about recent proposals to re-purpose **Impact Aid into private school vouchers**. Such a change could cut critical funding from my school district's operating budget, impact education programming, and increase the burden on local taxpayers.

Impact Aid provides a reimbursement to over 1,000 public school districts whose boundaries include federal property, such as military installations, Native American reservations, and national laboratories. The presence of nontaxable property limits the ability of school districts to generate sufficient tax revenue to support K-12 education. As long as the Federal Government's presence within a community is the cause of a funding disadvantage, local taxpayers expect the Federal Government to pay its share of local education funding through Impact Aid.

My school district relies on Impact Aid to meet basic operational needs and support all students in the district - including federally connected students. I urge you to oppose legislation that would undermine the Impact Aid program - and my school district's ability to educate students. In doing so, you support local taxpayers and ensure federally impacted school districts and students receive the resources they deserve.

Remaining: 8,741

Customize Your Signature (optional)

Powered by votervoice
A FiscalNote Company



NAFIS hosts two national meetings each year with a number of smaller and subgroup meetings throughout the year. Check below to get information on the ones coming up.



**Two-Day FISEF School
Business Officials
Workshop**

January 4-5, 2018
Embassy Suites - Downtown
OKC/Medical Center
Oklahoma City, OK

[Registration Form](#)



**NAFIS Spring Conference
March 17-19, 2019**

Hyatt Regency Capitol Hill
Washington, DC

Tentative Agenda (to come)
Host Hotel Reservations (to come)
Conference Registration (to come)



**Level 1 FISEF School
Business Officials
Workshop**

March 17, 2018
Hyatt Regency Capitol Hill
Washington, DC



**NAFIS Fall Conference
September 22-24, 2019**

Hyatt Regency Capitol Hill
Washington, DC

Tentative Agenda (to come)
Host Hotel Reservations (to come)
Conference Registration (to come)



**NAFIS Spring Conference
March 18-20, 2018**

Hyatt Regency Capitol Hill
Washington, DC



**NAFIS Spring Conference
March 15-17, 2020**

Hyatt Regency Capitol Hill
Washington, DC

Tentative Agenda (to come)
[Host Hotel Reservations](#)
[Conference Registration](#)

Tentative Agenda (to come)
Host Hotel Reservations (to come)
Conference Registration (to come)



**Level 1 FISEF School
Business Officials
Workshop**

September 22, 2018
Hyatt Regency Capitol Hill
Washington, DC



**NAFIS Fall Conference
September 21-23, 2020***

Hyatt Regency Capitol Hill
Washington, DC
***NOTE: Change in meeting date
pattern**



**NAFIS Fall Conference
September 23-25, 2018**

Hyatt Regency Capitol Hill
Washington, DC

Tentative Agenda (to come)
Host Hotel Reservations (to come)
Conference Registration (to come)

Tentative Agenda (to come)
Host Hotel Reservations (to come)
Conference Registration (to come)



NAFIS Members:

Faces of Impact Aid

With so much uncertainty in Washington, DC, NAFIS is reviving a practice used during conference time that can be very powerful. It's easy, but critical your school district participates. Dust off and refresh your "Impact Aid Story," the one you may already use in meetings with staff in Washington Hill offices. We are calling this effort "Faces of Impact Aid," and are modeling the project after the very popular "Humans of New York" (HONY) idea. [Click here](#) to learn more about HONY. Our goal for this project is to make a connection between Impact Aid and the communities it serves.

Tell us what Impact Aid means to your school district, and illustrate it on a very personal, local level because it's often local stories that put a face with Impact Aid that mean the most to Hill staffers. When you come to the NAFIS Spring Conference in Washington, DC, we will have a Faces of Impact Aid collection box at our registration desk. Please bring your Impact Aid story (it can fit on one page), and drop it in the box when you pick up your conference materials, or email it ahead of the conference to NAFIS Communications Director Bryan Jernigan (bryan@nafisdc.org). On the last day of the conference, use your Impact Aid story as an ice breaker in meetings with Hill Staff, along with the NAFIS Impact Aid Talking Points.

Your Impact Aid Story may also have a life after you return home! NAFIS staff will feature Impact Aid stories on our social media pages and share them with policy makers.

When filling out the questions below, give detail. Why is Impact Aid important to your district, how do you use it and who does it impact the most? Finally, attach a picture that illustrates your story.

Faces of Impact Aid Questionnaire

Thank you for participating in this project and we look forward to receiving your answers!

Please follow the steps below:

Step 1: Basic Information

1. Name
2. Title / Position
3. School
4. State
5. Email
6. What is your Federal impaction?

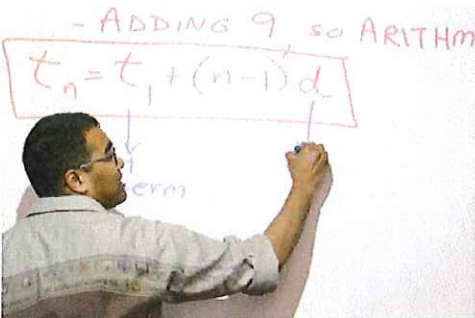
Step 2: Tell Your Impact Aid Story

1. Describe the demographic and/or geographic context relevant for your school district (student population, size of district, rural, percentage of free and reduced lunch, etc.).
2. How do you use Impact Aid to support academic achievement and operate your school district?
3. Connect your use of Impact Aid to a story that explains how it supports students/teachers/community, etc.
4. What would your school district do with more Impact Aid funding?

Step 3: Include Photo that Illustrates Your Story

An example Faces of Impact Aid story is attached to help better illustrate one idea for how you can refresh your story.

Your Faces of Impact Aid Story Could Look Like This:



Kids in our school district struggled with math at all levels. So, using Impact Aid dollars, we invested in new curricula, purchased new computer aids our kids can use to augment their studies, and implemented ongoing professional development aligned to student standards for all of our mathematics teachers. We even blocked out time for teachers to meet as a team to review student data and progress. We also used Impact Aid funds to hire a math specialist. We are a rural school district, so enticing the best qualified teachers is challenging, but Impact Aid allowed us to be competitive, and it shows. Our kids' test scores are higher than they have

been in the last 10 years, moving up 15 points in the state assessment in just two years. We're looking better than ever and our kids are performing beyond expectations!

FACES OF IMPACT AID

Loogootee Community School Corporation

Loogootee, Indiana
Federal Impaction: Federal Property, Crane Naval Support Activity Base



Federal Impaction: Federal Property, Crane Naval Support Activity Base
Loogootee Community School Corporation (LSCS) educates 845 students from towns and rural areas in southwest Indiana. Approximately 48-percent of students qualify for free and reduced lunch. LSCS receives roughly \$300,000 annually in Impact Aid, a critical source of funding. Without it, LCSC would have only one counselor for all K-12 students. With it, LCSC offers our students a full-time Youth First (YF) Social Worker, Elizabeth Christmas. YF places workers in schools to provide prevention and early intervention services for at-risk students with school behavior problems, peer relationship difficulties, depression and home-life conflicts. During the past year, Ms. Christmas served our students in the following ways:

- 1334 teacher and administrative consultations regarding students
- 661 total students served
- 560 individual meetings with students
- 285 parent consultations to assist with parent-child relationships
- 73 classroom presentations
- emergency suicide prevention

Losing Impact Aid would create massive cuts throughout our district, as it makes up 6.5-percent of our General Fund revenue.



444 N. Capitol St., NW, Ste. 419 | Washington, DC 20001 | (p) 202.624.5455 | www.NAFISDC.org

FACES OF IMPACT AID

Lemont High School District 210

Lemont Township, Illinois
Federal Impaction: Argonne National Laboratory, Federal Property

Approximately 1,400 Students 9-12
94% of Students Graduate in Four Years



Lemont High School District 210 in Illinois educates just over 1,400 students near federally owned Argonne National Laboratory, the largest landowner in the district. The district receives approximately \$870,000 in Federal Impact Aid, critical for academics like SSTEAM WOW, a program for fostering inclusion of both special needs and general education students to develop Special Education, Science, Technology, Engineering, Art and Mathematics skills in the areas of social communication and digital resources. This program has generated national recognition for its innovative approach. General education students benefit by providing coaching and mentoring to their peers, while special education students receive instruction through hands-on activities while working on real-world problems.

A loss of Impact Aid funding likely would result in a 10-percent reduction in the number of teachers employed at Lemont, as our Impact Aid revenue funds salaries and benefits for approximately 10 or our 100 teachers.



444 N. Capitol St., NW, Ste. 419 | Washington, DC 20001 | (p) 202.624.5455 | www.NAFISDC.org

impacted schools. If you wish to unsubscribe, please click [HERE](#).

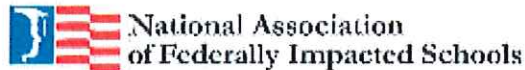
Powered by  votervoice

DECEMBER 13, 2017

FOR MORE INFORMATION, CONTACT:

Bryan Jernigan, Director, Communications, NAFIS

bryan@nafisd.org or 202-624-3611



JOINT STATEMENT ON IMPACT AID

Military Service Organizations Support Impact Aid

Military families care deeply about their children's education. It is essential to them that local public schools – which enroll the vast majority of our Nation's military-connected children – receive the resources they need to provide their children with the best possible education. For this reason, **our organizations strongly support the Impact Aid program and call for its continued funding.**

Impact Aid is designed to reimburse school districts for the loss of tax revenue due to federal properties or activities within their boundary, such as military installations. School districts use this funding stream as they see fit to support their students' needs: personnel costs, professional development, academic materials, facility construction and maintenance, and much more. Without the funds received through Impact Aid, many schools would struggle to provide their students with a high-quality education, putting all children in the district at a disadvantage.

It is worth noting that public schools charged with educating military-connected children take this responsibility seriously. Across the country, public school leaders – superintendents and elected school board members – embrace the opportunity to support our military and military families. They strive to offer the appropriate staffing, programs, and services to support military-connected students and meet their unique educational and emotional needs. Impact Aid funding allows school districts to hire school counselors, provide professional development training, and establish transition centers and student-to-student welcome programs in order to support military children as they cope with challenges such as frequent moves and prolonged separation from their service member parent. Cutting Impact Aid funds would put these essential programs at risk as well.

As a country, we have a responsibility to ensure military-connected children receive a high quality education wherever their families are stationed. **Proposals to divert Impact Aid from schools that educate concentrations of military-connected students are short sighted and will only reduce opportunities for all students in these school districts.** We urge Congress to preserve Impact Aid and ensure it is fully funded.

Military Child Education Coalition
Military Impacted Schools Association
Military Officers Association of America
National Association of Federally Impacted Schools
National Military Family Association

Early this year the commentator David Frum warned that the slide into authoritarianism would be unstoppable “if people retreat into private life, if critics grow quieter, if cynicism becomes endemic.” But so far that hasn’t happened.

What we’ve seen instead is the emergence of a highly energized resistance. That resistance made itself visible literally the day after Trump took office, with the huge women’s marches that took place on Jan. 21, dwarfing the thin crowds at the inauguration. If American democracy survives this terrible episode, I vote that we make pink pussy hats the symbol of our delivery from evil.

The resistance continued with the town hall crowds that confronted Republican legislators as they tried to repeal the Affordable Care Act. And in case anyone wondered whether the vocal anti-Trump crowds and Trump’s hugely negative polling would translate into political action, a string of special elections — capped by a giant Democratic wave in Virginia and a stunning upset in Alabama — has put such doubts to rest.

Let’s be clear: America as we know it is still in mortal danger. Republicans still control all the levers of federal power, and never in the course of our nation’s history have we been ruled by people less trustworthy.

This obviously goes for Trump himself, who is clearly a dictator wannabe, with no respect whatsoever for democratic norms. But it also goes for Republicans in Congress, who have demonstrated again and again that they will do nothing to limit his actions. They have backed him up as he uses his office to enrich himself and his cronies, as he foments racial hatred, as he attempts a slow-motion purge of the Justice Department and the F.B.I.

In fact, there has been a strange dynamic over the past few months: The worse things look for Trump, the more closely Republicans tie themselves to him. One might have expected recent electoral defeats to give G.O.P. moderates a bit more backbone. Instead, senators like John McCain and Susan Collins, who won widespread praise for standing up against Obamacare repeal during the summer, went along meekly with a monstrously awful tax bill.

And the growing evidence that the Trump campaign colluded with Russia doesn’t seem to have induced any prominent Republicans who weren’t already

Opinion | OP-ED COLUMNIST

America Is Not Yet Lost Leer en español

Paul Krugman DEC. 25, 2017

Many of us came into 2017 expecting the worst. And in many ways, the worst is what we got.

Donald Trump has been every bit as horrible as one might have expected; he continues, day after day, to prove himself utterly unfit for office, morally and intellectually. And the Republican Party — including so-called moderates — turns out, if anything, to be even worse than one might have expected. At this point it’s evidently composed entirely of cynical apparatchiks, willing to sell out every principle — and every shred of their own dignity — as long as their donors get big tax cuts.

Meanwhile, conservative media have given up even the pretense of doing real reporting, and become blatant organs of ruling-party propaganda.

Yet I’m ending this year with a feeling of hope, because tens of millions of Americans have risen to the occasion. The U.S. may yet become another Turkey or Hungary — a state that preserves the forms of democracy but has become an authoritarian regime in practice. But it won’t happen as easily or as quickly as many of us had feared.

anti-Trump to take a stand. Instead, we've seen erstwhile critics like Lindsey Graham become obsequious toadies promoting Trump properties.

So we can't count on the consciences of Republicans to protect us. In particular, we need to be realistic about the likely results of Robert Mueller's investigation. The best bet is that no matter what Mueller finds, no matter how damning and no matter what Trump does — even if it involves blatant obstruction of justice — Republican majorities in Congress will back up their president and continue to sing his praises.

In other words, as long as Republicans control Congress, constitutional checks and balances are effectively a dead letter.

So it's going to be up to the American people. They may once again have to make themselves heard in the streets. They'll certainly have to make their weight felt at the ballot box.

It's going to be hard, because the game is definitely rigged. Remember, Trump lost the popular vote but ended up in the White House anyway, and the midterm elections will be anything but fair. Gerrymandering and the concentration of Democratic-leaning voters in urban districts have created a situation in which Democrats could win a large majority of votes yet still fail to take the House of Representatives.

And even if voters rise up effectively against the awful people currently in power, we'll be a long way from restoring basic American values. Our democracy needs two decent parties, and at this point the G.O.P. seems to be irretrievably corrupt.

Even at best, in other words, it's going to take a long struggle to turn ourselves back into the nation we were supposed to be. Yet I am, as I said, far more hopeful than I was a year ago. America is not yet lost.

Follow me on Twitter (@PaulKrugman) and Facebook, and read my blog, *The Conscience of a Liberal*.

Follow The New York Times Opinion section on Facebook and Twitter (@NYTopinion), and sign up for the Opinion Today newsletter.