



# TechNet Companies: Want More Education Funding? Then Pay Your Fair Share.

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By: Patrick Tuohey

In a recent opinion column, Linda Moore, the president and CEO of TechNet, a “national, bipartisan network of technology CEOs and senior executives,” heralded Amazon’s seeking of a new headquarters as a wake-up call to policymakers about the need for increased computer science and STEM education funding. While her goals are laudable, she overlooks a significant problem with the growth of companies such as Amazon and others: it often comes at the expense of local education funding.

Moore is correct that metropolitan areas are falling over themselves to lure Amazon. In doing so, many will offer all sorts of taxpayer subsidized goodies such as tax credits, property tax abatements and tax-increment financing. Philadelphia offered to forgo property tax for 10 years; New Jersey is offering 7 billion dollars of tax incentives. Here in Missouri, Saint Louis and Kansas City areas have both submitted proposals—but won’t share them with the public. If the past is any indication, they will likewise be loaded with such taxpayer giveaways.

Therein lies the problem. Big companies seek and get a great deal of public assistance. Using the online subsidy tracker developed by Good Jobs First, one can see that the companies constituting the executive council of TechNet have received at least \$1.2 billion in state and federal subsidies —almost five times more than the \$250 million Moore calls for in additional federal education funding.

Like any company, Amazon doesn't want to pay any more taxes than it has to. The problem is that subsidies such as those being offered for their new headquarters actually divert money away from schools, libraries and other basic services funded by property taxes. The size of the various Amazon proposals only multiplies the effect. Most of those hired to work at the new headquarters would likely be drawn from elsewhere, placing additional demands on school districts in the form of hundreds of new children—while granting the districts no additional resources. This is in addition to the stresses placed on infrastructure and other services, such as and policing.

Because federal funding for education makes up only a small portion of any school district's budget, the terrible irony is that even with the increase in federal funding Moore calls for, the school districts in the city that "wins" Amazon's second headquarters may still be worse off because of the loss of local property taxes.

Seventy-three civic organizations responded to these realities by writing an open letter to Amazon CEO Jeff Bezos demanding that Amazon pay its taxes—including on "building materials, machinery and equipment." The letter also includes the following:

*If you want a highly-educated local talent pool you must pay all of your property taxes to fund our schools, public safety, infrastructure and other public goods and services.*

If tech leaders like those at TechNet want to increase education funding of any kind, they should stop asking national, state and local governments to subsidize their companies and start contributing their fair share to public coffers.

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