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FOR IMMEDIATE RELEASE

Gillespie Tax Plan Would Cripple Schools with \$404 Million in Lost Funding

A new Virginia Education Association analysis of the tax plan offered by gubernatorial candidate Ed Gillespie shows it would slash funding for Virginia public schools by \$404 million—a major blow to schools that have not yet recovered from recession-era budget cuts.

The analysis focused on FY 2021, the first year after full implementation of the Gillespie tax plan. In that year, Virginia public schools stand to lose a total of \$404 million in direct aid from the General Fund. The lost dollars would be largest in Fairfax County (\$39.1 million), Prince William County (\$32.1 million), Loudoun County (\$22.7 million), Virginia Beach (\$20.8 million), and Chesterfield County (\$19.8 million). Richmond public schools would lose \$9.3 million in aid and Henrico \$15.9 million under the Gillespie tax plan. (Figures for all Richmond-area school divisions attached.)

“Ed Gillespie’s tax plan would be a disaster for our public schools, for the students who attend them, and for their parents and communities,” said Jim Livingston, a math teacher from Prince William and VEA president. “Mr. Gillespie is offering up a tax plan favoring the wealthiest Virginians while practically assuring that our schools will be forced to cut vital programs and increase class sizes. Clearly, that’s not what is best for kids, who are the Commonwealth’s future.”

The VEA’s analysis used the General Fund reductions acknowledged by Gillespie in his tax plan and calculated losses in funding to individual school divisions based on widely accepted assumptions about school attendance, inflation, and the percentage of schools’ direct aid coming from the General Fund. The result was a total K-12 funding loss of \$404 million in FY 2021, with every school division predicted to lose state funding.

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Richmond and Surrounding School Divisions Lose Millions Under Gillespie Tax Plan

<u>Locality</u>	<u>Loss in Funds</u>	<u>Locality</u>	<u>Loss in Funds</u>
Chesterfield	-\$19,813,178	Powhatan	-\$1,304,686
Henrico	-\$15,972,607	New Kent	-\$1,012,090
Richmond City	-\$9,278,778	Colonial Heights	-\$920,055
Hanover	-\$5,233,715	King William	-\$788,088
Prince George	-\$2,470,561	Amelia	-\$664,234
Hopewell	-\$1,746,185	Sussex	-\$496,694
Petersburg	-\$1,735,111	Goochland	-\$442,206
Dinwiddie	-\$1,620,013	Charles City	-\$210,321
Caroline	-\$1,500,592		

Chart shows the estimated annual impact of Gillespie tax cuts on Virginia's school divisions when fully implemented (FY 21)

Sources

Virginia Department of Education, Direct Aid Payment Calculation Templates, June 2017, June 2016, June 2014
http://www.doe.virginia.gov/school_finance/budget/calc_tools/index.shtml

Congressional Budget Office, 10-Year Economic Projections, June 2017
<https://www.cbo.gov/about/products/budget-economic-data#4>

Estimated Annual Impact of Gillespie Tax Cuts on Virginia's School Divisions
When Fully Implemented (FY21)

Division	FY21 Estimated ADM	Assuming Current Policy		Assuming Gillespie Plan		FY21 Loss Under Gillespie
		FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	
Accomack	5,053.64	\$7,278	\$36,781,773	\$6,880	\$34,769,876	\$2,011,896
Albemarle	13,741.79	4,156	57,117,264	3,929	53,993,054	3,124,211
Alexandria	17,265.74	3,222	55,633,847	3,046	52,590,777	3,043,070
Alleghany	1,906.33	7,684	14,647,773	7,263	13,846,567	801,207
Amelia	1,745.39	6,958	12,143,629	6,577	11,479,395	664,234
Amherst	3,761.19	7,333	27,580,490	6,932	26,071,888	1,508,603
Appomattox	2,084.95	7,243	15,101,331	6,847	14,275,315	826,015
Arlington	29,114.04	2,867	83,459,958	2,710	78,894,850	4,565,108
Augusta	9,464.94	6,194	58,629,106	5,856	55,422,201	3,206,906
Bath	464.80	3,719	1,728,713	3,516	1,634,155	94,557
Bedford	8,860.14	6,550	58,033,285	6,192	54,858,970	3,174,315
Bland	652.14	7,064	4,606,821	6,678	4,354,836	251,985
Botetourt	4,195.58	6,053	25,396,639	5,722	24,007,489	1,389,150
Bristol	2,240.34	7,830	17,541,856	7,402	16,582,349	959,508
Brunswick	1,358.16	9,198	12,492,387	8,695	11,809,076	683,311
Buchanan	2,484.26	7,587	18,847,780	7,172	17,816,840	1,030,939
Buckingham	1,877.47	7,574	14,219,760	7,160	13,441,965	777,795
Buena Vista	795.80	8,584	6,830,964	8,114	6,457,323	373,641
Campbell	7,570.78	6,765	51,213,287	6,395	48,412,013	2,801,274
Caroline	4,055.98	6,764	27,434,031	6,394	25,933,440	1,500,592
Carroll	3,457.66	7,526	26,023,678	7,115	24,600,230	1,423,448
Charles City	571.19	6,732	3,845,114	6,364	3,634,793	210,321
Charlotte	1,748.01	8,087	14,136,676	7,645	13,363,425	773,250
Charlottesville	4,593.35	5,120	23,518,937	4,840	22,232,494	1,286,443
Chesapeake	39,817.79	6,526	259,862,899	6,169	245,648,870	14,214,028
Chesterfield	60,348.24	6,002	362,227,350	5,674	342,414,172	19,813,178
Clarke	1,916.25	4,937	9,461,238	4,667	8,943,725	517,513
Colonial Beach	575.48	7,525	4,330,535	7,114	4,093,663	236,872
Colonial Heights	2,848.41	5,905	16,820,579	5,582	15,900,524	920,055
Covington	1,015.59	7,633	7,752,382	7,216	7,328,341	424,041
Craig	532.78	8,011	4,268,125	7,573	4,034,667	233,459
Culpeper	8,178.88	6,307	51,580,252	5,962	48,758,906	2,821,346
Cumberland	1,165.71	8,494	9,901,609	8,029	9,360,009	541,600
Danville	5,297.79	8,100	42,913,493	7,657	40,566,203	2,347,290
Dickenson	1,920.46	7,741	14,866,665	7,318	14,053,485	813,180
Dinwiddie	4,103.69	7,217	29,617,305	6,822	27,997,293	1,620,013
Emporia	1,017.25	8,177	8,317,786	7,729	7,862,818	454,968

Estimated Annual Impact of Gillespie Tax Cuts on Virginia's School Divisions
When Fully Implemented (FY21)

Division	FY21 Estimated ADM	Assuming Current Policy		Assuming Gillespie Plan		FY21 Loss Under Gillespie
		FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	
Essex	1,166.29	6,679	7,789,285	6,313	7,363,225	426,060
Fairfax City	3,163.11	2,853	9,023,109	2,697	8,529,561	493,548
Fairfax County	184,541.64	3,877	715,387,406	3,665	676,257,015	39,130,391
Falls Church	3,139.22	2,681	8,417,557	2,535	7,957,132	460,425
Fauquier	10,614.12	4,643	49,279,716	4,389	46,584,205	2,695,511
Floyd	1,906.27	6,680	12,734,237	6,315	12,037,697	696,540
Fluvanna	3,418.15	6,396	21,861,527	6,046	20,665,741	1,195,786
Franklin City	1,047.46	8,647	9,057,276	8,174	8,561,860	495,417
Franklin County	6,882.83	6,480	44,599,592	6,125	42,160,076	2,439,517
Frederick	13,537.65	6,180	83,660,847	5,842	79,084,751	4,576,096
Fredericksburg	3,467.12	4,754	16,481,995	4,494	15,580,460	901,535
Galax	1,241.84	7,856	9,755,831	7,426	9,222,204	533,626
Giles	2,315.55	7,040	16,301,027	6,655	15,409,390	891,637
Gloucester	5,126.66	6,074	31,139,892	5,742	29,436,597	1,703,296
Goochland	2,635.93	3,067	8,084,474	2,899	7,642,268	442,206
Grayson	1,394.69	7,867	10,972,595	7,437	10,372,414	600,181
Greene	3,145.95	6,782	21,335,010	6,411	20,168,024	1,166,986
Greensville	1,395.34	8,449	11,788,908	7,987	11,144,076	644,832
Halifax	4,403.36	7,778	34,249,564	7,353	32,376,175	1,873,389
Hampton	18,406.26	7,143	131,475,921	6,752	124,284,427	7,191,494
Hanover	17,583.81	5,442	95,683,519	5,144	90,449,805	5,233,715
Harrisonburg	6,721.75	7,028	47,240,390	6,644	44,656,426	2,583,963
Henrico	50,844.28	5,743	292,013,480	5,429	276,040,874	15,972,607
Henry	7,270.05	7,927	57,630,461	7,494	54,478,180	3,152,281
Highland	251.29	9,107	2,288,663	8,609	2,163,477	125,186
Hopewell	3,966.19	8,049	31,923,999	7,609	30,177,814	1,746,185
Isle of Wight	5,207.14	6,025	31,370,789	5,695	29,654,864	1,715,925
James City County	11,129.97	4,442	49,442,031	4,199	46,737,642	2,704,389
King and Queen	838.60	7,432	6,232,429	7,025	5,891,526	340,903
King George	4,235.02	6,149	26,042,997	5,813	24,618,492	1,424,505
King William	2,069.45	6,962	14,407,945	6,581	13,619,857	788,088
Lancaster	1,019.44	3,873	3,948,532	3,661	3,732,555	215,978
Lee	2,851.89	9,440	26,922,414	8,924	25,449,807	1,472,607
Lexington	684.77	5,450	3,731,735	5,152	3,527,616	204,119
Loudoun	90,332.52	4,600	415,498,209	4,348	392,771,212	22,726,997
Louisa	4,601.54	5,165	23,768,440	4,883	22,468,349	1,300,090
Lunenburg	1,451.94	8,228	11,946,583	7,778	11,293,127	653,456

Estimated Annual Impact of Gillespie Tax Cuts on Virginia's School Divisions
When Fully Implemented (FY21)

Division	FY21 Estimated ADM	Assuming Current Policy		Assuming Gillespie Plan		FY21 Loss Under Gillespie
		FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	
Lynchburg	7,831.93	7,205	56,430,348	6,811	53,343,710	3,086,637
Madison	1,494.79	6,204	9,273,003	5,864	8,765,787	507,216
Manassas City	7,727.22	7,420	57,332,975	7,014	54,196,965	3,136,010
Manassas Park	3,884.22	8,029	31,186,468	7,590	29,480,625	1,705,843
Martinsville	1,691.66	8,416	14,236,817	7,956	13,458,089	778,728
Mathews	1,014.11	5,504	5,582,108	5,203	5,276,777	305,331
Mecklenburg	3,886.03	6,816	26,488,693	6,444	25,039,810	1,448,883
Middlesex	1,213.78	4,896	5,942,156	4,628	5,617,131	325,025
Montgomery	9,349.49	6,227	58,220,125	5,886	55,035,590	3,184,535
Nelson	1,742.84	5,024	8,755,480	4,749	8,276,571	478,909
New Kent	3,313.49	5,584	18,503,167	5,279	17,491,077	1,012,090
Newport News	25,888.03	7,524	194,770,520	7,112	184,116,927	10,653,594
Norfolk	27,892.02	7,387	206,031,721	6,983	194,762,160	11,269,561
Northampton	1,575.82	6,462	10,182,510	6,108	9,625,545	556,965
Northumberland	1,144.07	3,637	4,161,118	3,438	3,933,512	227,606
Norton	683.83	6,977	4,770,896	6,595	4,509,936	260,959
Nottoway	1,845.39	8,584	15,841,478	8,115	14,974,978	866,500
Orange	4,646.61	6,147	28,564,700	5,811	27,002,263	1,562,437
Page	3,169.04	7,130	22,595,136	6,740	21,359,223	1,235,913
Patrick	2,557.63	7,806	19,964,500	7,379	18,872,478	1,092,022
Petersburg	3,657.81	8,672	31,721,555	8,198	29,986,443	1,735,111
Pittsylvania	8,668.43	7,561	65,538,576	7,147	61,953,735	3,584,841
Poquoson	1,953.49	5,898	11,521,854	5,575	10,891,629	630,224
Portsmouth	13,551.44	7,515	101,836,732	7,104	96,266,448	5,570,284
Powhatan	4,237.52	5,629	23,852,459	5,321	22,547,773	1,304,686
Prince Edward	2,122.07	7,705	16,350,983	7,284	15,456,614	894,369
Prince George	6,421.62	7,034	45,167,150	6,649	42,696,589	2,470,561
Prince William	91,671.22	6,407	587,332,320	6,056	555,206,309	32,126,011
Pulaski	3,809.92	7,151	27,245,161	6,760	25,754,901	1,490,261
Radford	1,605.82	7,054	11,328,195	6,669	10,708,564	619,632
Rappahannock	760.26	3,780	2,873,644	3,573	2,716,461	157,183
Richmond City	24,338.68	6,970	169,635,951	6,589	160,357,172	9,278,778
Richmond County	1,380.71	7,241	9,997,385	6,845	9,450,546	546,839
Roanoke City	13,013.93	7,670	99,818,838	7,251	94,358,929	5,459,909
Roanoke County	13,568.56	6,108	82,879,314	5,774	78,345,967	4,533,348
Rockbridge	2,584.28	6,149	15,889,716	5,812	15,020,577	869,139
Rockingham	11,238.86	6,322	71,050,282	5,976	67,163,960	3,886,321

Estimated Annual Impact of Gillespie Tax Cuts on Virginia's School Divisions
When Fully Implemented (FY21)

Division	FY21 Estimated ADM	Assuming Current Policy		Assuming Gillespie Plan		FY21 Loss Under Gillespie
		FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	FY21 Estimated Per Pupil	FY21 Estimated Direct Aid	
Russell	3,571.06	8,041	28,713,804	7,601	27,143,212	1,570,593
Salem	3,801.61	5,800	22,050,099	5,483	20,843,999	1,206,100
Scott	3,166.60	8,608	27,258,653	8,137	25,767,654	1,490,999
Shenandoah	5,432.51	6,498	35,300,896	6,143	33,370,001	1,930,895
Smyth	3,997.66	7,966	31,847,207	7,531	30,105,222	1,741,984
Southampton	2,469.29	7,645	18,876,657	7,226	17,844,138	1,032,519
Spotsylvania	22,498.51	6,342	142,679,817	5,995	134,875,490	7,804,327
Stafford	29,855.25	5,932	177,095,826	5,607	167,409,006	9,686,820
Staunton	2,527.54	7,830	19,790,562	7,402	18,708,055	1,082,508
Suffolk	13,582.10	6,603	89,686,201	6,242	84,780,529	4,905,672
Surry	694.83	3,632	2,523,740	3,434	2,385,696	138,044
Sussex	1,064.31	8,532	9,080,635	8,065	8,583,941	496,694
Tazewell	5,282.74	7,172	37,886,425	6,779	35,814,106	2,072,319
Virginia Beach	65,357.57	5,804	379,367,199	5,487	358,616,502	20,750,696
Warren	5,136.84	5,875	30,180,606	5,554	28,529,782	1,650,824
Washington	6,814.56	6,462	44,036,618	6,109	41,627,895	2,408,723
Waynesboro	2,957.82	6,445	19,064,048	6,093	18,021,279	1,042,769
West Point	839.91	7,115	5,975,730	6,726	5,648,868	326,862
Westmoreland	1,648.80	8,889	14,656,763	8,403	13,855,065	801,698
Williamsburg	943.16	5,183	4,888,818	4,900	4,621,409	267,409
Winchester	4,495.15	6,265	28,162,175	5,922	26,621,756	1,540,420
Wise	5,232.84	7,299	38,194,739	6,900	36,105,556	2,089,183
Wythe	3,945.40	6,680	26,357,155	6,315	24,915,466	1,441,688
York	12,795.12	5,540	70,879,189	5,237	67,002,227	3,876,963
State Totals	1,263,920.51	\$5,843	\$7,384,875,611	\$5,523	\$6,980,936,335	\$403,939,276

Sources:

Virginia Department of Education, Direct Aid Payment Calculation Templates, June 2017, June 2016, June 2014
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Congressional Budget Office, 10-Year Economic Projections, June 2017
<https://www.cbo.gov/about/products/budget-economic-data#4>

Methods:

- Current policy projections are based on CBO 10-year projections for CPI-U (to estimate per pupil funding) and average annual change in ADM over the last 5 years (to estimate ADM).

- Gillespie projections assume 89.18% of direct aid continues to come from GF (as it does in FY18) and that reductions in direct aid will be proportional to lost GF revenues under the plan.