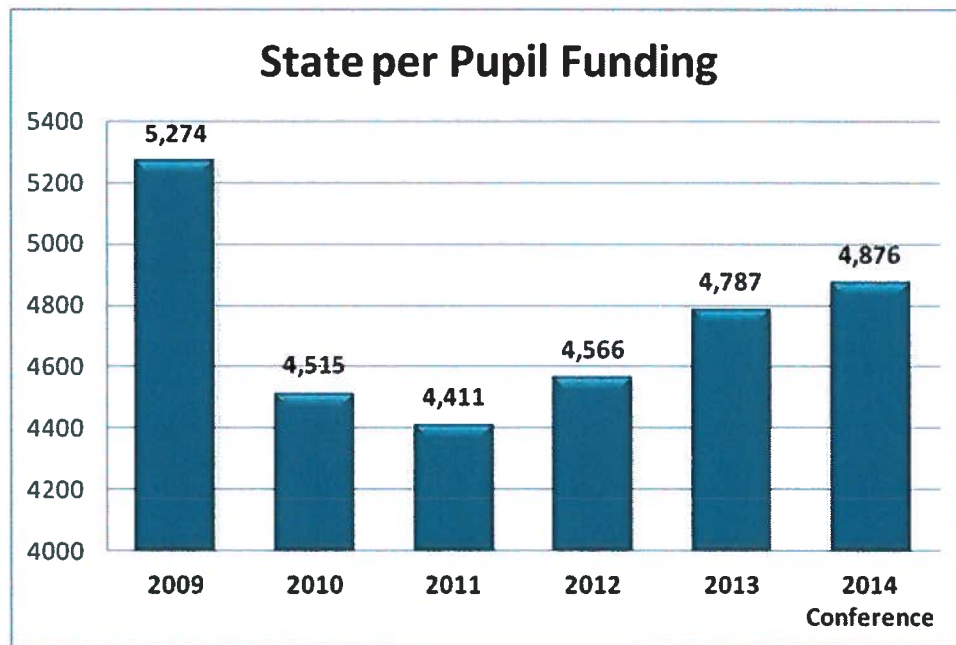


Cuccinelli Tax Proposal Further Reduces Essential School Funding

Public education is currently funded by the Commonwealth at a level 7.6% below the 2008-09 level, and state funding for our schools ranks 39th among the states. This comes despite the fact that Virginia is the 9th wealthiest state as measured by per-capita income.



Source: VDOE Supt's Memo # 050-13, 2/28/13 with adjustments SF5F

Those who care about Virginia's system of public education should view with alarm any proposal which reduces General Fund revenues, 30% of which goes as Direct Aid to Virginia's elementary and secondary schools. The tax proposal advanced by Attorney General Ken Cuccinelli does just that.

When the Cuccinelli tax proposal is fully phased in, the combined impact of the personal and corporate income tax cuts will be a **\$1.4 billion annual loss** to the state General Fund. (The individual income tax cut would cost over \$1.1 billion per year and the corporate income tax cut would cost roughly \$300 million.) That amounts to 7.9% of the General Fund. If we assume proportional reductions, education's share of the loss would be \$422 million. That sum could fund over 6,500 teachers at 2012-13 salary and benefit levels. Using 2011-12 pupil-teacher ratios, this cut could result in an increase in class sizes about one more student in each classroom.

Although the Attorney General proposes to offset a part of these cuts by identifying "outdated" exemptions and loopholes, without specifics we cannot estimate how much of the \$1.4 billion would be saved through reducing tax incentives. As has been widely reported (<http://hamptonroads.com/node/677452>), he has refused to specify where the offsets will be achieved, but he has exempted tax credits related to health and education. So, the state's tuition tax credit/voucher plan which provides private school tuition grants would be exempt from reductions.

The data available for local funding from the state does not break down the distribution between General Fund and non-General Fund dollars. The tables in the attached file show the estimated impact of a \$422 million cut on Virginia's schools divisions, using the FY 2014 local distribution of state aid.

There are other aspects of the proposal which would threaten public school funding on the state and local levels. We will analyze those features in future reports.

School Division	FY 2014	With Proposed		Cuccinelli Cut (7.0457%)	Decrease	Cuccinelli per Pupil	Decrease
	Conference	2014 Per Pupil	Cuccinelli				
ACCOMACK	\$ 28,021,867	\$ 5,799	\$ 26,047,530	\$ (1,974,337)	\$ 5,391	\$ (409)	
ALBEMARLE	45,264,460	3,468	42,075,262	(3,189,198)	3,224	(244)	
ALEXANDRIA	36,140,907	2,765	33,594,527	(2,546,380)	2,570	(195)	
ALLEGHANY	15,960,841	6,397	14,836,288	(1,124,553)	5,946	(451)	
AMELIA	9,429,966	5,593	8,765,559	(664,407)	5,199	(394)	
AMHERST	24,950,389	6,072	23,192,459	(1,757,930)	5,644	(428)	
APPOMATTOX	13,242,707	6,108	12,309,666	(933,041)	5,678	(430)	
ARLINGTON	55,193,029	2,482	51,304,294	(3,888,735)	2,307	(175)	
AUGUSTA	52,596,783	5,051	48,890,971	(3,705,812)	4,695	(356)	
BATH	1,672,733	2,811	1,554,877	(117,856)	2,613	(198)	
BEDFORD CITY	4,423,365	5,317	4,111,708	(311,657)	4,942	(375)	
BEDFORD CO.	50,321,619	5,396	46,776,109	(3,545,510)	5,016	(380)	
BLAND	5,536,512	6,084	5,146,426	(390,086)	5,655	(429)	
BOTETOURT	24,674,552	5,115	22,936,057	(1,738,495)	4,755	(360)	
BRISTOL	14,800,612	6,802	13,757,805	(1,042,807)	6,323	(479)	
BRUNSWICK	13,835,309	7,470	12,860,515	(974,794)	6,944	(526)	
BUCHANAN	18,830,323	6,053	17,503,595	(1,326,728)	5,626	(426)	
BUCKINGHAM	12,871,373	6,455	11,964,495	(906,878)	6,000	(455)	
BUENA VISTA	6,957,000	7,092	6,466,831	(490,169)	6,592	(500)	
CAMPBELL	45,391,790	5,706	42,193,621	(3,198,169)	5,304	(402)	
CAROLINE	24,135,728	5,738	22,435,197	(1,700,531)	5,334	(404)	
CARROLL	24,710,147	5,963	22,969,144	(1,741,003)	5,543	(420)	
CHARLES CITY	4,257,896	6,091	3,957,897	(299,999)	5,662	(429)	
CHARLOTTE	13,570,245	7,097	12,614,126	(956,119)	6,597	(500)	
CHARLOTTESVILLE	16,979,656	4,303	15,783,320	(1,196,336)	4,000	(303)	
CHESAPEAKE CITY	209,210,437	5,411	194,470,097	(14,740,340)	5,030	(381)	
CHESTERFIELD	284,187,408	4,914	264,164,416	(20,022,992)	4,568	(346)	
CLARKE	8,684,937	4,329	8,073,022	(611,915)	4,024	(305)	
COLONIAL BEACH	3,913,847	6,343	3,638,089	(275,758)	5,896	(447)	

School Division	FY 2014 Conference	2014 Per Pupil	With Proposed			
			Cuccinelli Cut (7.0457%)	Decrease	Cuccinelli per Pupil	Decrease (7.0457%)
COLONIAL HEIGHTS	12,901,441	4,686	11,992,444	(908,997)	4,356	(330)
COVINGTON	5,656,919	6,458	5,258,349	(398,570)	6,003	(455)
CRAIG	4,073,612	6,182	3,786,598	(287,014)	5,746	(436)
CULPEPER	40,041,221	5,205	37,220,037	(2,821,184)	4,838	(367)
CUMBERLAND	7,982,987	6,346	7,420,530	(562,457)	5,899	(447)
DANVILLE	40,397,995	6,651	37,551,673	(2,846,322)	6,182	(469)
DICKENSON	14,334,496	6,466	13,324,530	(1,009,966)	6,010	(456)
DINWIDDIE	26,407,076	5,987	24,546,513	(1,860,563)	5,565	(422)
EMPORIA	6,458,082	6,252	6,003,065	(455,017)	5,811	(440)
ESSEX	8,167,946	5,374	7,592,457	(575,489)	4,995	(379)
FAIRFAX CITY	7,292,643	2,403	6,778,825	(513,818)	2,234	(169)
FAIRFAX CO.	584,085,738	3,309	542,932,809	(41,152,929)	3,076	(233)
FALLS CHURCH	5,427,787	2,336	5,045,361	(382,426)	2,171	(165)
FAUQUIER	45,545,754	4,203	42,336,737	(3,209,017)	3,907	(296)
FLOYD	11,409,795	5,685	10,605,895	(803,900)	5,284	(401)
FLUVANNA	18,647,116	5,128	17,333,296	(1,313,820)	4,767	(361)
FRANKLIN CITY	8,495,565	7,375	7,896,993	(598,572)	6,855	(520)
FRANKLIN CO.	37,197,277	5,251	34,576,468	(2,620,809)	4,881	(370)
FREDERICK	68,589,395	5,273	63,756,792	(4,832,603)	4,901	(372)
FREDERICKSBURG	11,295,404	3,499	10,499,564	(795,840)	3,253	(247)
GALAX	7,699,867	6,245	7,157,357	(542,510)	5,805	(440)
GILES	14,852,426	6,082	13,805,969	(1,046,457)	5,654	(429)
GLOUCESTER	26,150,538	4,905	24,308,050	(1,842,488)	4,560	(346)
GOOCHLAND	6,164,594	2,756	5,730,255	(434,339)	2,562	(194)
GRAYSON	11,913,927	6,604	11,074,507	(839,420)	6,139	(465)
GREENE	15,683,765	5,423	14,578,734	(1,105,031)	5,041	(382)
GREENSVILLE	9,693,919	7,197	9,010,915	(683,004)	6,690	(507)
HALIFAX	33,668,473	6,451	31,296,293	(2,372,180)	5,997	(455)
HAMPTON	124,034,657	6,134	115,295,547	(8,739,110)	5,702	(432)
HANOVER	81,597,866	4,566	75,848,725	(5,749,141)	4,244	(322)

School Division	FY 2014 Conference	2014 Per Pupil	With Proposed Cuccinelli			
			Cut (7.0457%)	Decrease	Cuccinelli per Pupil	
			Decrease (7.0457%)		Decrease (7.0457%)	
HARRISONBURG	28,234,504	5,535	26,245,186	(1,989,318)	5,145	(390)
HENRICO	240,316,131	4,868	223,384,177	(16,931,954)	4,525	(343)
HENRY	45,962,069	6,507	42,723,720	(3,238,349)	6,048	(458)
HIGHLAND	1,446,279	7,652	1,344,379	(101,900)	7,113	(539)
HOPEWELL	24,595,717	6,457	22,862,777	(1,732,940)	6,002	(455)
ISLE OF WIGHT	27,006,185	4,953	25,103,410	(1,902,775)	4,604	(349)
JAMES CITY	36,743,913	3,788	34,155,047	(2,588,866)	3,521	(267)
KING & QUEEN	5,343,126	5,751	4,966,665	(376,461)	5,346	(405)
KING GEORGE	20,176,604	4,812	18,755,021	(1,421,583)	4,473	(339)
KING WILLIAM	11,921,732	5,484	11,081,763	(839,969)	5,097	(386)
LANCASTER	3,386,837	2,749	3,148,211	(238,626)	2,555	(194)
LEE	23,872,247	7,654	22,190,280	(1,681,967)	7,115	(539)
LEXINGTON	2,763,875	3,866	2,569,141	(194,734)	3,593	(272)
LOUDOUN	262,722,005	3,739	244,211,401	(18,510,604)	3,476	(263)
LOUISA	18,485,102	4,038	17,182,697	(1,302,405)	3,753	(284)
LUNENBURG	10,018,079	6,848	9,312,235	(705,844)	6,365	(482)
LYNCHBURG	46,356,678	5,777	43,090,526	(3,266,152)	5,370	(407)
MADISON	8,986,484	4,921	8,353,323	(633,161)	4,575	(347)
MANASSAS CITY	42,726,928	6,086	39,716,517	(3,010,411)	5,658	(429)
MANASSAS PARK	20,964,618	6,789	19,487,514	(1,477,104)	6,311	(478)
MARTINSVILLE	13,881,654	6,772	12,903,594	(978,060)	6,294	(477)
MATHEWS	4,870,788	4,199	4,527,607	(343,181)	3,903	(296)
MECKLENBURG	25,035,059	5,674	23,271,164	(1,763,895)	5,275	(400)
MIDDLESEX	4,065,796	3,730	3,779,332	(286,464)	3,467	(263)
MONTGOMERY	48,308,096	5,031	44,904,452	(3,403,644)	4,677	(354)
NELSON	7,980,562	4,122	7,418,276	(562,286)	3,832	(290)
NEW KENT	12,973,841	4,317	12,059,743	(914,098)	4,013	(304)
NEWPORT NEWS	166,705,569	6,108	154,959,995	(11,745,574)	5,678	(430)
NORFOLK	186,181,014	6,243	173,063,258	(13,117,756)	5,803	(440)
NORTHAMPTON	8,502,456	5,443	7,903,398	(599,058)	5,060	(384)

School Division	FY 2014 Conference	2014 Per Pupil	With Proposed			Decrease	Cuccinelli per Pupil	Decrease (7.0457%)
			Cuccinelli Cut (7.0457%)	Decrease	Cuccinelli per Pupil			
NORTHUMBERLAND	3,642,000	2,622	3,385,396	(256,604)	2,437	(185)		
NORTON	4,740,566	5,474	4,406,560	(334,006)	5,088	(386)		
NOTTOWAY	14,738,632	6,820	13,700,192	(1,038,440)	6,340	(481)		
ORANGE	24,200,418	4,941	22,495,329	(1,705,089)	4,593	(348)		
PAGE	20,456,238	6,022	19,014,953	(1,441,285)	5,598	(424)		
PATRICK	15,967,596	6,116	14,842,567	(1,125,029)	5,685	(431)		
PETERSBURG	28,311,824	7,076	26,317,058	(1,994,766)	6,578	(499)		
PITTSYLVANIA	56,287,072	6,287	52,321,254	(3,965,818)	5,844	(443)		
POQUOSON	9,986,615	4,769	9,282,988	(703,627)	4,433	(336)		
PORTSMOUTH	89,671,736	6,291	83,353,734	(6,318,002)	5,848	(443)		
POWHATAN	19,341,111	4,653	17,978,394	(1,362,717)	4,325	(328)		
PRINCE EDWARD	13,602,368	6,496	12,643,986	(958,382)	6,038	(458)		
PRINCE GEORGE	36,998,838	5,878	34,392,011	(2,606,827)	5,464	(414)		
PRINCE WILLIAM	442,989,372	5,337	411,777,670	(31,211,702)	4,961	(376)		
PULASKI	25,986,155	6,049	24,155,248	(1,830,907)	5,623	(426)		
RADFORD	8,789,902	5,753	8,170,592	(619,310)	5,347	(405)		
RAPPAHANNOCK	2,798,822	3,096	2,601,625	(197,197)	2,878	(218)		
RICHMOND CITY	124,435,922	5,709	115,668,540	(8,767,382)	5,307	(402)		
RICHMOND CO	6,807,322	5,879	6,327,699	(479,623)	5,464	(414)		
ROANOKE CITY	73,037,253	5,786	67,891,267	(5,145,986)	5,378	(408)		
ROANOKE CO.	70,176,872	5,040	65,232,420	(4,944,452)	4,685	(355)		
ROCKBRIDGE	11,268,072	4,504	10,474,157	(793,915)	4,186	(317)		
ROCKINGHAM	56,838,007	5,103	52,833,372	(4,004,635)	4,744	(360)		
RUSSELL	26,674,702	6,517	24,795,283	(1,879,419)	6,058	(459)		
SALEM	18,382,988	4,966	17,087,778	(1,295,210)	4,616	(350)		
SCOTT	25,169,699	6,907	23,396,318	(1,773,381)	6,421	(487)		
SHENANDOAH	31,148,439	5,202	28,953,813	(2,194,626)	4,835	(367)		
SMYTH	31,200,698	6,648	29,002,390	(2,198,308)	6,180	(468)		
SOUTHAMPTON	16,588,886	6,110	15,420,083	(1,168,803)	5,680	(430)		
SPOTSYLVANIA	122,700,874	5,306	114,055,739	(8,645,135)	4,932	(374)		

School Division	FY 2014 Conference	2014 Per Pupil	With Proposed		Decrease	Cuccinelli per Pupil	Decrease (7.0457%)
			Cuccinelli Cut (7.0457%)	Cuccinelli			
STAFFORD	135,812,015	5,025	126,243,108	4,671	(9,568,907)	4,671	(354)
STAUNTON	16,706,535	6,603	15,529,443	6,138	(1,177,092)	6,138	(465)
SUFFOLK	75,275,231	5,453	69,971,564	5,069	(5,303,667)	5,069	(384)
SURRY	2,807,007	3,474	2,609,234	3,229	(197,773)	3,229	(245)
SUSSEX	7,642,450	6,854	7,103,986	6,371	(538,464)	6,371	(483)
TAZEWELL	36,384,041	5,866	33,820,531	5,452	(2,563,510)	5,452	(413)
VIRGINIA BEACH	323,334,267	4,751	300,553,105	4,416	(22,781,162)	4,416	(335)
WARREN	26,558,871	4,899	24,687,613	4,554	(1,871,258)	4,554	(345)
WASHINGTON	37,564,417	5,277	34,917,741	4,905	(2,646,676)	4,905	(372)
WAYNESBORO	15,783,036	5,151	14,671,011	4,788	(1,112,025)	4,788	(363)
WEST POINT	4,120,193	5,443	3,829,897	5,059	(290,296)	5,059	(383)
WESTMORELAND	8,336,708	5,503	7,749,329	5,115	(587,379)	5,115	(388)
WILLIAMSBURG	4,337,048	4,142	4,031,473	3,850	(305,575)	3,850	(292)
WINCHESTER	20,687,140	4,906	19,229,586	4,560	(1,457,554)	4,560	(346)
WISE	36,940,383	6,457	34,337,674	6,002	(2,602,709)	6,002	(455)
WYTHE	23,220,166	5,525	21,584,143	5,135	(1,636,023)	5,135	(389)
YORK	55,616,465	4,590	51,697,896	4,266	(3,918,569)	4,266	(323)
TOTAL	\$ 5,990,233,646	\$ 4,876	\$ 5,568,179,754	\$ 4,532	\$ (422,053,892)	\$ 4,532	\$ (344)

At a salary and fringe avg. per teacher (2012-13) of \$64,635, a \$422 mil cut = over 6,500 teachers.

Note: This analysis includes state funds for the SOQ, Incentive, Categorical, and School Facilities service areas. Federal funds are not included in this analysis.

Source: VDOE Supts Memo #050-13, 2/2/13, reduction number from Comm. Institute, avg. salary from NEA.