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Media Contact
Sherri Egerton
Communications & Research Assistant
sherri@thecommonwealthinstitute.org
804-396-2051 x102
www.thecommonwealthinstitute.org

Recent Federal Actions Help Pave Way for Solving K-12 Funding Challenges in Virginia

RICHMOND, VA -- An influx of revenues could be coming the state’s way if state legislators conform to recent federal tax changes and start collecting sales tax on online sales. These revenues could go a long way to restoring state funding for Virginia’s public schools, according to a new report from The Commonwealth Institute for Fiscal Analysis, an economic and policy research organization in Richmond.

The report notes that, even with recent progress, state K-12 education funding is still down 9.1 percent per student from 2009. The lower levels of state funding have resulted in fewer staff in schools and increased reliance on local governments to support public education. Since 2009, staffing in Virginia schools has declined by 1,242 positions while enrollment has grown by more than 50,000 students. At the same time, the number of economically disadvantaged students has increased by almost 90,000 students and English learners in Virginia schools have increased by over 54,000.

“We’ve seen progress in restoring support for schools, yet this is not a ‘mission accomplished’ moment for funding public education in the commonwealth” says Michael Cassidy, President of The Commonwealth Institute and co-author of the report. “Fortunately, recent federal actions have put Virginia in position to have the revenues to finally make these long-delayed investments.”

The report notes that by conforming to the recent federal tax changes, Virginia is projected to bring in hundreds of millions in new state revenues. This is largely due to changes around the federal deductions, as many filers are expected to switch to the larger federal standard deduction, instead of itemizing deductions. This results in these same filers switching to the state standard deduction, thereby affecting state revenues. In addition, the recent Supreme Court decision, South Dakota v. Wayfair, allows states to tax online sales the same as brick-and-mortar shops which could bring in an additional $250-$300 million in revenues to Virginia.
The report recommends state leaders invest these resources in Virginia’s K-12 schools and points to staffing recommendations from the Virginia Board of Education. These recommendations would increase staffing for many vital positions in Virginia schools including school counselors, school nurses, social workers, psychologists, and other support staff.


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The Commonwealth Institute for Fiscal Analysis provides credible, independent, and accessible information and analyses of fiscal and economic issues with particular attention to the impacts on low- and moderate-income persons. Our products inform fiscal and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole. Visit www.thecommonwealthinstitute.org for more information.