

## Nearly 250,000 education jobs at risk if Congress eliminates state and local tax deduction

As part of its \$5 trillion tax plan giveaway to the wealthiest and corporations, the House Republican leadership bill eliminates most of the state and local tax deduction (SALT). Its elimination could blow a hole in state and local revenue to support public education and put nearly 250,000 education jobs at risk according to a detailed analysis of the impact of House Tax Bill (HR 1) on funding for public education conducted by the National Education Association.

The NEA analysis also showed that the bill would lead to cuts of approximately \$250 billion in public education over the next ten years. Corporations, by the way, get to keep their state and local tax deductions.

Take a look to see how students and educators in your state could be impacted:

**The House tax bill repeals the deduction for State and local income or sales taxes, and limits the deduction for real property taxes.** HR 1 would blow a nearly \$250 billion hole in State and local revenue to support public elementary and secondary education over the next ten years by repealing the deduction for State and local income or sales taxes, which, as Michael Dannenberg has pointed out, is "like eliminating the Title I program and IDEA special education program overnight." He goes on to say that what the House has proposed "is the beginning of a cycle of disinvestment from public education." (<https://edreformnow.org/betsy-devos-tax-cut/>)\* The accompanying table shows the impact by state of repealing the income or sales tax deduction and compares the revenue at risk resulting from the repeal to the federal revenue public schools can expect to receive over the next ten years for key grant programs to illustrate the scale of the fiscal loss.

State	Revenue at Risk in Support of Public Elementary and Secondary Education				The revenue at risk over ten years is comparable to estimated federal revenue for...	Ten Years
	One Year		Ten Years			Federal Revenue (\$000)
	Amount (\$000)	Per Public School Student	Educator Jobs at Risk	Amount (\$000)		
Alabama	\$174,137	\$239	2,039	\$1,741,373	IDEA Special Education Grants to States	\$1,866,994
Alaska	5,740	44	38	57,403	ESEA IV-B 21st Century Community Learning Centers	58,392
Arizona	241,806	229	3,269	2,418,061	IDEA Special Education, and ESEA II-A Effective Instruction and VI-A Indian Education grants	2,466,330
Arkansas	157,730	330	2,029	1,577,302	ESEA Title I-A Grants to Local Educational Agencies	1,629,046
California	4,680,431	752	38,132	46,804,307	All state-formula allocated preK-12 Education Department grants	40,841,951
Colorado	315,956	342	3,972	3,159,564	ESEA Title I-A and IDEA Special Education grants	3,159,106
Connecticut	670,610	1,288	5,035	6,706,098	All state-formula allocated Department of Education grants	6,435,244
Delaware	63,907	457	575	639,073	ESEA Title I-A, II-A Effective Instruction, and III-A EL grants	618,121
District of Columbia	132,900	1,446	1,175	1,328,995	All state-formula allocated preK-12 Education Department grants	955,387
Florida	401,434	144	5,033	4,014,344	Half of all Title I Grants to Local Educational Agencies	4,284,613
Georgia	841,483	469	9,092	8,414,833	ESEA Title I-A and IDEA Special Education grants	8,886,746
Hawaii	66,882	371	681	668,821	ESEA Title I-A, II-A Effective Instruction, and III-A EL grants	672,331
Idaho	76,556	256	1,001	765,563	ESEA Title I-A, II-A Effective Instruction, and III-A EL grants	703,822
Illinois	869,171	425	7,408	8,691,708	IDEA Special Education Grants and half of all ESEA Title I-A Grants	8,582,440
Indiana	289,626	284	3,021	2,896,256	IDEA Special Education and ESEA IV-B Learning Centers grants	2,856,941
Iowa	201,553	391	2,223	2,015,529	ESEA Title I-A and IDEA Special Education grants	2,229,276

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State	One Year			Ten Years	The revenue at risk over ten years is comparable to estimated federal revenue for...	Federal Revenue (\$000)
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Kansas	147,732	300	1,847	1,477,321	ESEA Title I-A and Title VII Impact Aid grants	1,499,282
Kentucky	278,458	392	3,183	2,784,581	ESEA Title I-A, II-A Effective Instruction, and V-B Rural Education grants	2,679,949
Louisiana	176,221	241	2,053	1,762,212	IDEA Special Education Grants to States	1,937,702
Maine	91,522	509	1,022	915,219	ESEA Title I-A and IDEA Special Education grants	1,102,937
Maryland	882,014	987	7,269	8,820,137	Two times that of ESEA Title I-A and IDEA Special Education grants	8,730,925
Massachusetts	857,719	904	6,456	8,577,186	Three times that of IDEA Special Education Grants	8,761,385
Michigan	505,645	348	4,043	5,056,445	ESEA Title I-A Grants to Local Educational Agencies	5,046,435
Minnesota	584,001	683	6,178	5,840,012	Almost all state-formula allocated Department of Education grants	5,837,999
Mississippi	89,582	182	1,254	895,819	IDEA Special Education Grants to States	1,231,107
Missouri	397,837	451	5,133	3,978,370	ESEA Title I-A and half of IDEA Special Education grants ESEA Title II-A Effective Instruction, V-B Rural Education, and VII Impact Aid grants	3,691,407
Montana	70,288	481	838	702,883		708,053
Nebraska	140,257	434	1,628	1,402,568	ESEA Title I-A and IDEA Special Education grants	1,519,394
Nevada	72,039	161	723	720,387	IDEA Special Education Grants to States	773,849
New Hampshire	55,836	315	523	558,364	IDEA Special Education and Career and Technical Education grants	543,158
New Jersey	1,481,994	1,136	11,962	14,819,938	Two times that of ESEA Title I-A and IDEA Special Education grants	14,713,363
New Mexico	65,059	195	822	650,593	Half of all Title I Grants to Local Educational Agencies	597,954
New York	3,684,417	1,402	24,628	36,844,169	Three times that of ESEA Title I-A Grants to Local Educational Agencies	36,221,970
North Carolina	506,234	349	6,313	5,062,339	ESEA Title I-A and II-A Effective Instruction grants ESEA Title II-A Effective Instruction, V-B Rural Education, and VI-A Indian Education grants	4,962,764
North Dakota	13,392	126	159	133,925		133,906
Ohio	728,700	412	7,581	7,287,000	IDEA Special Education Grants and half of all ESEA Title I-A Grants	7,268,529
Oklahoma	154,547	218	2,093	1,545,468	IDEA Special Education Grants to States	1,525,790
Oregon	352,924	606	2,993	3,529,235	Almost all state-formula allocated preK-12 Education Department grants	3,532,499
Pennsylvania	896,888	530	7,431	8,968,881	Two times that of IDEA Special Education Grants	8,759,827
Rhode Island	94,653	716	785	946,533	ESEA Title I-A and IDEA Special Education grants	983,170
South Carolina	274,830	350	3,368	2,748,299	ESEA Title I-A, II-A Effective Instruction, and III-A EL grants	2,737,402
South Dakota	13,637	102	199	136,369	ESEA Title II-A Effective Instruction and VI-A Indian Education grants	137,010
Tennessee	126,060	130	1,553	1,260,597	Half of IDEA Special Education Grants to States	1,219,346
Texas	520,553	96	6,951	5,205,525	Half of IDEA Special Education Grants to States	5,182,409

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<b>State</b>						
Utah	169,697	258	2,030	1,696,972	IDEA Special Education Grants and half of all ESEA Title I-A Grants	1,600,301
Vermont	50,178	734	470	501,785	ESEA Title I-A, II-A Effective Instruction, and IV-B Learning Centers grants	508,910
Virginia	805,893	620	9,264	8,058,932	Three times that of ESEA Title I-A Grants to Local Educational Agencies	7,937,195
Washington	200,278	183	2,258	2,002,781	IDEA Special Education Grants to States	2,268,084
West Virginia	71,303	256	821	713,026	IDEA Special Education Grants to States	774,140
Wisconsin	459,954	527	4,680	4,599,541	ESEA Title I-A, II-A Effective Instruction, and IDEA Special Education grants	4,562,119
Wyoming	16,459	172	162	164,587	ESEA Title II-A Effective Instruction, IV-B Learning Centers, and VI-A Indian Education grants	164,802
<b>State Total</b>	<b>\$24,226,723</b>	<b>\$484</b>	<b>223,395</b>	<b>\$242,267,230</b>		
<b>U.S. Total</b>	<b>\$24,659,121</b>	<b>\$492</b>	<b>245,076</b>	<b>\$246,591,206</b>		<b>\$236,101,813</b>

\* The Betsy DeVos Tax Cut, November 2, 2017 (<https://edreformnow.org/betsy-devos-tax-cut/>). Source: NEA calculations using data on deductions for State and local taxes by category and by state from the IRS' Statistics of Income for tax year 2015 (latest available) and assuming a 25 percent average marginal rate for all taxpayers when determining the revenue at risk from repealing the deduction for State and local income or sales taxes. Although HR 1 limits the deduction for real property taxes, the analysis here ignores the effect, thereby presenting a more conservative estimate of the potential impact. NEA calculated each state's current expenditures for elementary and secondary education as a percentage of general revenue from own sources to determine the revenue at risk in support of public elementary and secondary education using data from Census Bureau's State and Local Government Finance, 2015. NEA used its own publication, Rankings and Estimates, for fall enrollment estimates for each state, and the National Center for Education Statistics' Digest of Education Statistics for educator salary and compensation data by state. Educator jobs at risk represent about 80 percent of the revenue at risk in support of public elementary and secondary education for each state, which is the portion of current expenditures devoted to school staff costs on average. NEA extrapolated the one year results over ten years without further adjustments or assumptions. Similarly, NEA compared the revenue at risk over ten years to federal revenue states can expect to receive for certain Education Department state-allocated formula grant programs based on current funding levels and extrapolated over ten years using data from the Education Department Budget Service.

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