

# Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act

State	Fiscal Years 2020, 2021, 2022			HEROES Act State Fiscal Stabilization Fund								
	in millions		Potential Job Losses from the Estimated Decline in State General Fund Revenues in Support of Education /c,d	in millions				Amount Per Title I Participant under the Subgrants to Local Educational Agencies /f	Amount Per Pell Grant Recipient under the Subgrants to Public Institutions of Higher Education /g	Elementary and Secondary Education Jobs Restored or Saved /h	Higher Education Jobs Restored or Saved /i	
	Estimated Decline in State General Fund Revenues with Offsets from Rainy Day and CARES Act Funds /a	Estimated Decline in Support for Elementary and Secondary and Higher Education from State General Fund Resources with Offsets from CARES Act Funds /b		Subgrants to Local Educational Agencies /e	Subgrants to Public Institutions of Higher Education /e	Statewide elementary, secondary, and post-secondary activities /e	Total State Grant /e					
Alabama	\$4,324	\$2,445	27,616	\$955	\$441	\$73	\$1,469	\$1,919	\$1,238	12,255	2,249	
Alaska	1,421	474	3,892	128	59	10	197	2,493	2,387	1,060	347	
Arizona	6,012	2,814	36,606	1,355	625	104	2,085	5,234	1,305	18,653	3,969	
Arkansas	2,893	1,348	16,777	600	277	46	923	1,917	1,245	8,425	1,542	
California	83,436	39,497	261,765	6,965	3,215	536	10,716	1,697	1,066	60,396	12,215	
Colorado	6,957	2,665	28,919	866	400	67	1,332	3,370	1,340	10,026	2,389	
Connecticut	10,373	2,533	21,053	548	253	42	843	3,539	1,527	4,742	1,142	
Delaware	2,077	799	7,155	155	72	12	239	1,702	1,493	1,413	434	
Florida	17,030	7,509	93,242	3,401	1,569	262	5,232	2,334	1,147	45,832	10,806	
Georgia	13,469	6,356	76,329	2,070	955	159	3,184	1,873	1,273	26,222	6,957	
Hawaii	3,933	1,053	9,124	197	91	15	303	2,008	1,576	1,866	402	
Idaho	2,063	1,131	12,756	308	142	24	474	1,993	1,548	4,729	1,130	
Illinois	25,150	5,865	48,557	2,130	983	164	3,276	2,132	1,664	18,419	4,858	
Indiana	9,885	5,554	54,753	1,208	558	93	1,859	3,482	1,242	15,265	3,998	
Iowa	3,649	1,807	21,260	516	238	40	793	4,825	1,390	6,799	1,104	
Kansas	3,896	2,266	32,092	516	238	40	794	3,115	1,254	7,719	1,863	
Kentucky	6,395	3,049	38,106	857	395	66	1,318	1,841	1,397	11,813	2,056	
Louisiana	5,109	2,130	26,269	982	453	76	1,510	1,911	1,370	13,136	2,927	
Maine	2,130	859	10,738	182	84	14	280	4,624	1,190	2,359	658	
Maryland	10,796	4,498	44,088	898	415	69	1,382	4,355	1,167	9,022	2,817	
Massachusetts	16,792	3,471	32,411	1,001	462	77	1,540	2,619	1,488	9,575	2,839	
Michigan	13,767	6,103	56,380	1,753	809	135	2,697	2,770	1,319	16,914	3,809	
Minnesota	16,764	7,771	48,467	855	395	66	1,315	1,630	1,320	10,141	2,253	
Mississippi	3,144	1,460	21,393	676	312	52	1,041	1,971	1,129	11,375	1,936	
Missouri	4,981	1,850	23,394	1,071	494	82	1,648	2,528	1,615	14,806	3,054	
Montana	1,515	597	7,274	172	79	13	265	2,381	1,420	2,258	530	
Nebraska	2,626	1,079	12,276	322	149	25	495	2,582	1,316	3,983	1,077	
Nevada	2,790	1,222	13,472	519	240	40	798	1,836	1,777	5,914	1,829	
New Hampshire	1,051	404	4,559	175	81	13	270	4,871	1,755	2,045	517	
New Jersey	23,237	9,825	74,337	1,354	625	104	2,083	2,860	1,302	10,182	3,667	
New Mexico	2,172	1,147	15,254	435	201	33	669	1,672	1,192	6,583	960	
New York	41,513	14,072	99,028	3,221	1,487	248	4,955	2,210	1,247	23,027	6,942	
North Carolina	13,261	7,023	79,568	1,874	865	144	2,883	2,604	1,259	27,823	6,039	
North Dakota	953	433	4,593	117	54	9	180	3,284	1,449	1,317	357	
Ohio	10,570	4,417	44,926	2,056	949	158	3,163	2,412	1,577	22,664	5,245	

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Oklahoma	2,611	1,106	16,579	781	361	60	1,202	1,700	1,417	12,968	2,309	
Oregon	4,238	1,959	17,683	638	295	49	982	3,003	1,124	6,126	1,396	
Pennsylvania	19,003	7,198	56,942	2,049	946	158	3,152	2,853	1,968	16,603	4,620	
Rhode Island	1,968	641	5,423	171	79	13	263	2,650	1,294	1,441	508	
South Carolina	3,622	1,497	18,000	948	438	73	1,459	2,911	1,504	12,047	2,933	
South Dakota	745	315	4,438	156	72	12	240	3,649	1,550	2,432	537	
Tennessee	8,911	3,714	48,411	1,245	574	96	1,915	1,997	1,529	17,664	4,396	
Texas	23,809	11,345	145,062	6,008	2,773	462	9,243	1,656	1,433	90,967	13,269	
Utah	3,183	1,903	20,158	576	266	44	886	3,205	1,174	6,991	1,132	
Vermont	1,878	1,060	6,964	88	41	7	136	1,994	1,522	1,160	246	
Virginia	9,849	3,447	39,226	1,313	606	101	2,020	3,811	1,435	16,557	3,482	
Washington	13,622	7,743	50,936	1,117	515	86	1,718	2,569	1,407	9,632	2,490	
West Virginia	1,746	823	10,599	320	148	25	492	2,449	1,324	4,352	1,047	
Wisconsin	9,558	3,937	42,480	915	422	70	1,408	2,517	1,405	10,337	2,778	
Wyoming	255	101	1,121	92	43	7	142	3,586	1,551	1,119	263	
D.C. & Puerto Rico	-	-	-	1,041	480	80	1,601	2,533	2,860	14,473	7,397	
Outlying Areas	-	-	-	-	-	-	450	-	-	-	-	
Bureau of Indian Education	-	-	-	-	-	-	450	-	-	-	-	
Administration & Oversight	-	-	-	-	-	-	30	-	-	-	-	
<b>National</b>	<b>\$481,129</b>	<b>\$202,315</b>	<b>1,892,453</b>	<b>\$57,896</b>	<b>\$26,721</b>	<b>\$4,454</b>	<b>\$90,000</b>	<b>\$2,225</b>	<b>\$1,336</b>	<b>673,626</b>	<b>153,721</b>	

States are experiencing a precipitous decline in revenues as a result of the economic fallout from the COVID-19 pandemic. Using current economic projections, NEA has analyzed the impact on state revenues over three fiscal years--2020, 2021, and 2022--and the corresponding impact it will have on the ability of states to fund public education. NEA estimates that without additional federal emergency aid, state general fund revenues in support of education could fall by about \$200 billion affecting about one-fifth of the education workforce after accounting for the use of state rainy day funds and funding available under the CARES Act. The HEROES Act, which has passed the House, would help stem some of the state revenue shortfall. It includes \$90 billion for a State Fiscal Stabilization Fund (SFSF) dedicated to education, to remain available until September 30, 2022, to prevent, prepare for, and respond to coronavirus. The Secretary of Education would make grants to the Governor of each State for support of elementary, secondary, and postsecondary education and, as applicable, early childhood education programs and services. States would be required to allocate 65 percent of the funds received as subgrants to local educational agencies in proportion to the amount of funds the local educational agencies received under part A of title I of the ESEA in the most recent fiscal year. States would also be required to allocate 30 percent of the funds received as subgrants to public institutions of higher education, of which 75 percent would be apportioned according to the relative share of students who received Pell Grants, and 25 percent would be apportioned according to the total enrollment of students at the institution. States would retain 5 percent to support statewide elementary, secondary, and postsecondary activities. The grants to states under the SFSF are intended to maintain or restore State and local fiscal support for elementary, secondary and postsecondary education. A local educational agency, State, institution of higher education, or other entity that receives funds must, to the greatest extent practicable, continue to pay its employees and contractors during the period of any disruptions or closures related to coronavirus. Funds may be used to support hourly workers, such as education support professionals, classified school employees, and adjunct and contingent faculty. NEA estimates that the SFSF would restore or save at least 825,000 jobs in elementary and secondary and higher education. In addition to the SFSF, the HEROES Act includes \$10.2 billion for higher education, some of which is designated specifically for HBCUs and other minority-serving institutions. As importantly, the HEROES Act includes \$915 billion in other aid to state, local, territory, and tribal governments that could be used to support public education and backfill revenue needed to support other critical services upon which students and their families rely. This aid would also relieve the pressure on states to reduce their support for public education.

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## NOTES:

/a NEA calculations are based on national estimates from the Center on Budget & Policy Priorities as of May 20, 2020, on total state revenue shortfalls of \$765 billion over three fiscal years: 2020, 2021, and 2022, <https://www.cbpp.org/blog/projected-state-shortfalls-grow-as-economic-forecasts-worsen>. NEA's analysis looks at state general fund revenues available to support public education over the same three years. Most state education funding comes through the state's general fund. NEA apportioned the Center's national estimates of total state revenue shortfalls according to each state's relative share of general fund resources for each year. NEA then adjusted each state's apportionment according to each state's general fund revenues as a share of total state revenues. NEA reviewed state budget documents to determine each state's general fund resources. Each state's general fund revenues as a share of total state revenues are based on the Census Bureau's Annual Survey of State and Local Government Finances: 2017, <https://www.census.gov/data/datasets/2017/econ/local/public-use-datasets.html>. Each state's revenue shortfall as calculated by NEA was reduced by the amount available in the state's rainy day fund (NEA assumes states will tap all of their rainy day fund balances over the three years) and non-education CARES Act funding available for this purpose. The state's rainy day fund balance, typically the amount available at the end of fiscal year 2020, was obtained as part of the state budget document review. The state's portion of non-education CARES Act funding is based on U.S. Treasury allocations, <https://home.treasury.gov/system/files/136/Census-Data-and-Methodology-Final.pdf>.

/b NEA calculations are based on the share of the state general fund that supports elementary and secondary and higher education according to state budget documents. NEA assumes that state support for education will decline at the same rate as overall state revenues. Less state revenue means less spending on public education. States may choose to reduce support for education at a greater or lesser rate than presented here. The state estimates account for funding the states will receive under the Education Stabilization Fund of the CARES Act.

/c NEA's calculations on potential job losses include elementary and secondary and higher education. For the share of state general funds that support elementary and secondary education, NEA calculated potential job losses using Table 6, Current Spending of Public Elementary-Secondary School Systems by State: Fiscal Year 2018, Public Elementary-Secondary Education Finances: 2018, U.S. Census Bureau; and the 2018 Annual Survey of Public Employment and Payroll, U.S. Census Bureau. For selected states (CA, ID, IN, MN, NC, VT, and WA), potential job losses were capped at 28 percent of their total education workforce.

/d NEA's calculations on potential job losses include elementary and secondary and higher education. For the share of state general funds that support higher education, NEA calculated potential job losses using Table 314.50, Full-time-equivalent (FTE) staff, FTE faculty, and ratios of FTE students to FTE staff and FTE faculty in public degree-granting postsecondary institutions, by level of institution and state or jurisdiction: Fall 2018, Digest of Education Statistics: 2018, National Center for Education Statistics; and Table 334.20, Total expenditures of public degree-granting postsecondary institutions, by level of institution, purpose of expenditure, and state or jurisdiction: 2013-14 through 2016-17, Digest of Education Statistics: 2018, National Center for Education Statistics. For selected states (CA, ID, IN, MN, NC, VT, and WA), potential job losses were capped at 28 percent of their total education workforce.

/e Preliminary state estimates by the Congressional Research Service, based on unpublished data provided by the U.S. Department of Education (ED), Budget Service and population data from the U.S. Census Bureau, Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2018, <https://www.census.gov/data/tables/time-series/demo/popest/2010s-state-detail.html>.

/f NEA calculations using data from the U.S. Department of Education on the participation of all students by state under Title I, Part A, <https://eddataexpress.ed.gov/>. Under the HEROES Act, States must allocate 65 percent of the funds received under the State Fiscal Stabilization Fund as subgrants to local educational agencies in proportion to the amount of funds the local educational agencies received under part A of title I of the ESEA in the most recent fiscal year.

/g NEA calculations using Table 21, Distribution of Federal Pell Grant recipients by state and control of institution, award year 2017-2018, Federal Pell Grant Program 2017-2018 End of Year Report, <https://www2.ed.gov/finaid/prof/resources/data/pell-data.html>. Unlike the CARES Act, which required institutions of higher education (IHEs) to use at least 50 percent of their funds to provide emergency financial aid grants to students, the HEROES Act includes no such provision. Under the HEROES Act, IHEs may use funds for education and general expenditures and grants to students for expenses directly related to coronavirus and the disruption of campus operations. Without a requirement, NEA assumes IHEs would allocate less than 50 percent of their funds for grants to students. To calculate the amount of funds available for Pell Grant recipients attending public IHEs, NEA assumes a 25 percent allocation for this purpose.

/h NEA calculations using Table 6, Current Spending of Public Elementary-Secondary School Systems by State: Fiscal Year 2018, Public Elementary-Secondary Education Finances: 2018, U.S. Census Bureau; and the 2018 Annual Survey of Public Employment and Payroll, U.S. Census Bureau.

/i NEA calculations using Table 314.50, Full-time-equivalent (FTE) staff, FTE faculty, and ratios of FTE students to FTE staff and FTE faculty in public degree-granting postsecondary institutions, by level of institution and state or jurisdiction: Fall 2018, Digest of Education Statistics: 2018, National Center for Education Statistics; and Table 334.20, Total expenditures of public degree-granting postsecondary institutions, by level of institution, purpose of expenditure, and state or jurisdiction: 2013-14 through 2016-17, Digest of Education Statistics: 2018, National Center for Education Statistics. The HEROES Act authorizes institutions of higher education to use their funding for grants to students for expenses directly related to coronavirus and the disruption of campus operations (which may include emergency financial aid to students for food, housing, technology, health care, and child care costs) that a student would not be required to repay. The estimates assume that institutions of higher education would use 25% of their funds for grants to students (see note g), which reduces the number of higher education jobs that would be restored or saved. If an institution chooses to award more or less of its funding for grants to students, the number of jobs that would be restored or saved will change accordingly.

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