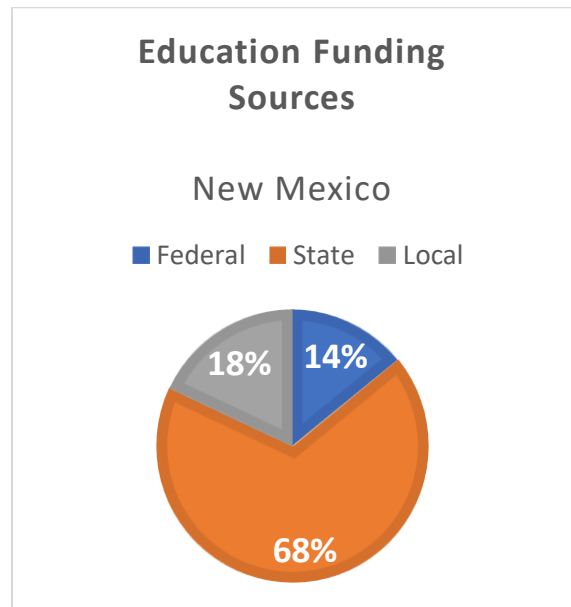
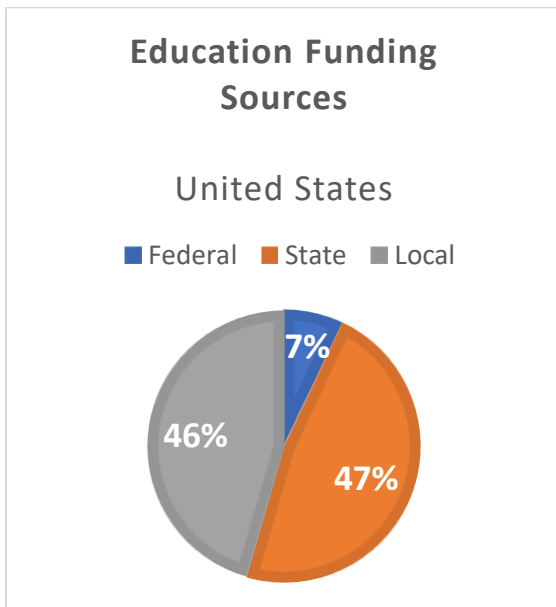


The Impact of COVID-19 on State Education Funding: New Mexico

What Is the Likely Impact of COVID-19 on Education Funding?

- The impact of COVID-19 on state and local economies is significantly worse than the last recession, due to the temporary closures of many businesses and the substantial and sharp increase in the number of unemployed workers.
- This impact will be felt especially in decreased income tax, sales tax, and other revenues that substantially fund the state portion of education allocations—which compose about 47% of total education spending nationally and about 68% of education spending in New Mexico.



- The Center for Budget and Policy Priorities (CBPP) [estimates](#) that overall state revenue shortfalls will ultimately reach about 10% in the current fiscal year, which ends on June 30 in most states, and as much as 25% in fiscal year (FY) 2021. These shortfalls could total more than \$500 billion.
- The hit to school funding will include the effects of both these decreased revenues and the increased costs needed to deal with the effects of the pandemic—including increased state costs for medical care and unemployment benefits, which will compete with education costs for dwindling funds.
- In addition to the costs needed to attend to students' health and mental health needs, among other costs, increased education costs include the need to:
 - (1) provide access to devices and connectivity for distance learning;
 - (2) expand learning time to deal with learning loss caused by school closures; and
 - (3) pay for meals provided during these additional days needed by students from low-income families who rely on schools for nutrition with disruptions to family income.

The Impact of Increased Costs and Decreased Funding

Below we estimate the effects of these extra costs and decreases in funding on education revenues in **New Mexico**, using somewhat more conservative estimates than CBPP.

Increased Education Costs

	Distance Learning ¹	Food Service ²	Expanded Learning Time ³	Total Additional Costs
New Mexico	\$24,707,925	\$11,555,602	\$201,545,222	\$237,808,749
United States	\$3,756,909,600	\$1,448,963,558	\$35,954,199,222	\$41,160,072,380

Decreased Education Funding (based on reductions of 5% in 2019–20 and 20% in 2020–21)

	2019–20	2020–21	Total Lost Revenue
New Mexico	\$424,891,654	\$1,274,674,961	\$1,699,566,614
United States	\$37,694,542,795	\$150,778,171,180	\$188,472,713,975

Total Impact of COVID-19 on State Education Budgets

	Additional Costs	Lost Revenue	Total Impact
New Mexico	\$237,808,749	\$1,699,566,614	\$1,937,375,363
United States	\$41,160,072,380	\$188,472,713,975	\$229,632,786,355

How Would State Budget Cuts Impact Teaching or Other Staff Positions?

The following numbers take into consideration funding already provided under the CARES Act. **New Mexico** would lose more 200 positions in FY2020 and nearly 4,000 in FY2021 based on these estimates.⁴

Cuts in State Contributions to Education Funding	Potential Impact in New Mexico	
	Projected Lost Teaching Positions	Reduction in Teaching Positions
5%	216	0.9%
10%	1,489	6.3%
15%	2,763	11.8%
20%	3,975	16.9%
25%	4,972	21.2%
30%	5,970	25.4%

¹ Estimated based on \$500 each for 15% of **New Mexico** students requiring devices and connectivity.

² Estimated for an additional 20 days of meals in FY2020

³ Estimated as 20 additional days of learning time for 50% of students.

⁴ See <https://learningpolicyinstitute.org/blog/impact-covid-19-recession-teaching-positions> for details.