

State Education Funding In The Age of COVID-19

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Presentation Overview

- **COVID-19 and state tax revenue**
- **State revenue cuts and public education**
- **The impact of cuts on teacher positions**
- **What can we do to help students?**

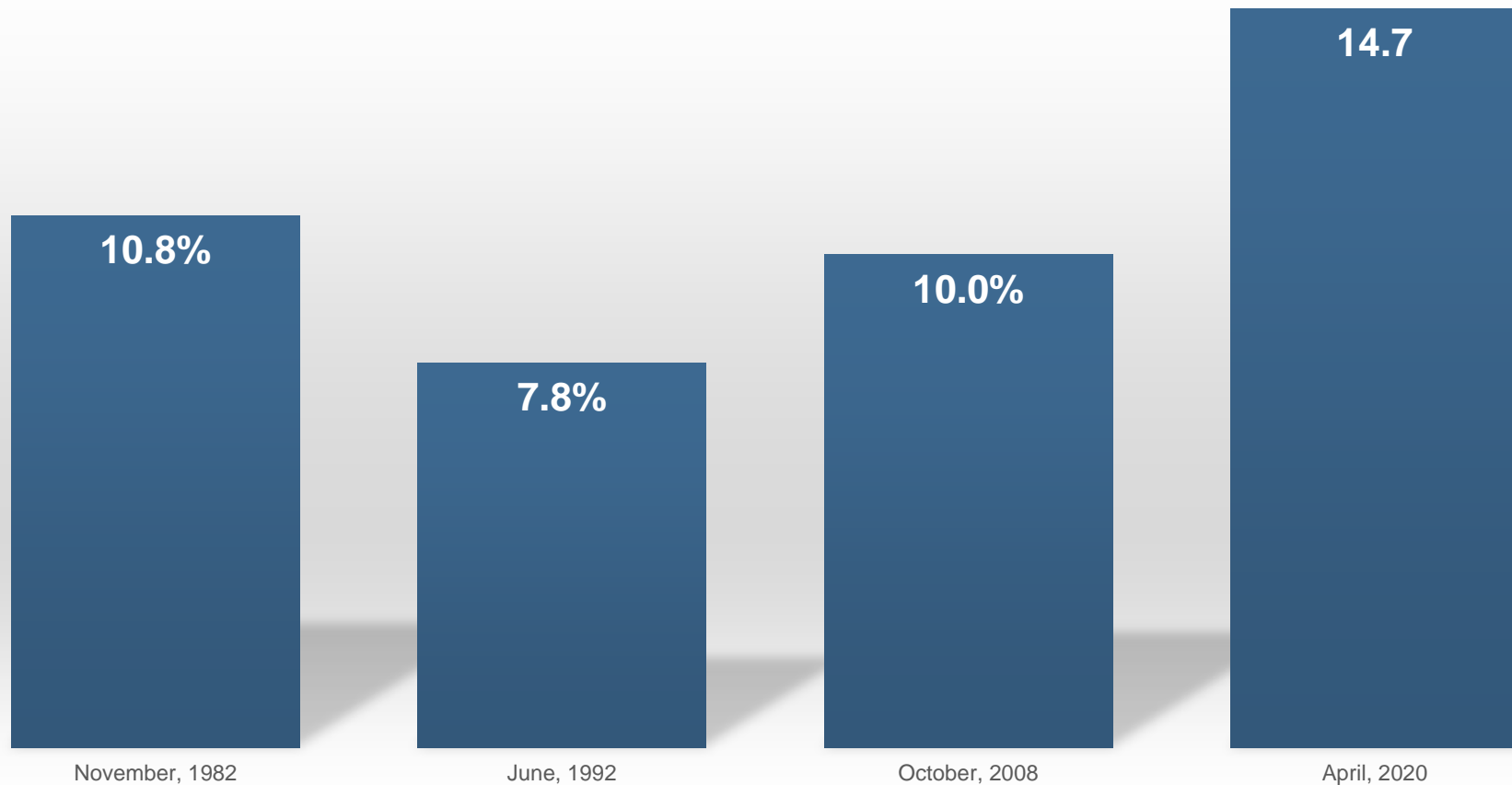
We Have Never Faced this Before

One Statements Says it All

Over the past six week, approximately 1-in-6 employed people has lost their jobs

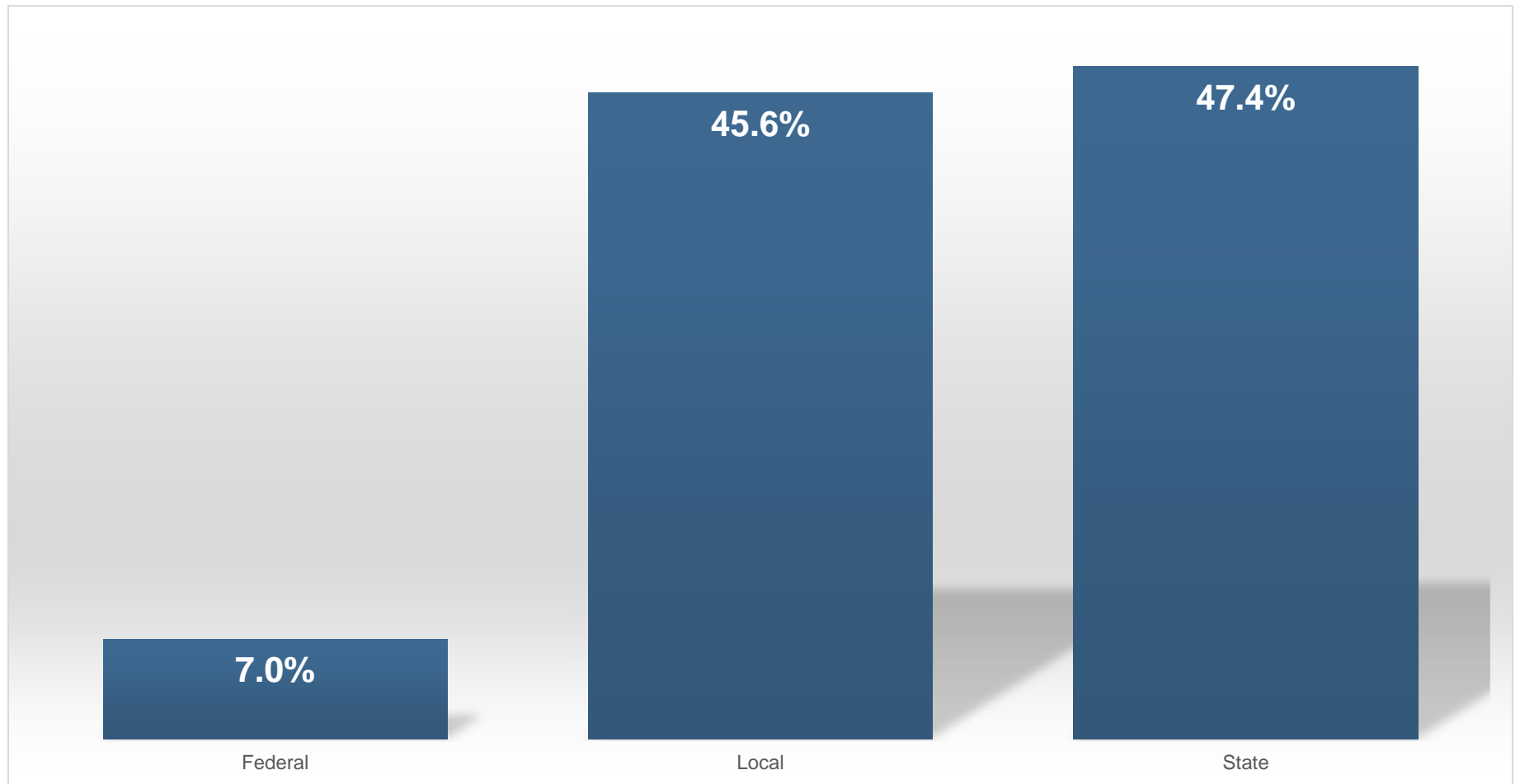
We Are Looking at Record Breaking Unemployment Numbers

Highest Month of Unemployment



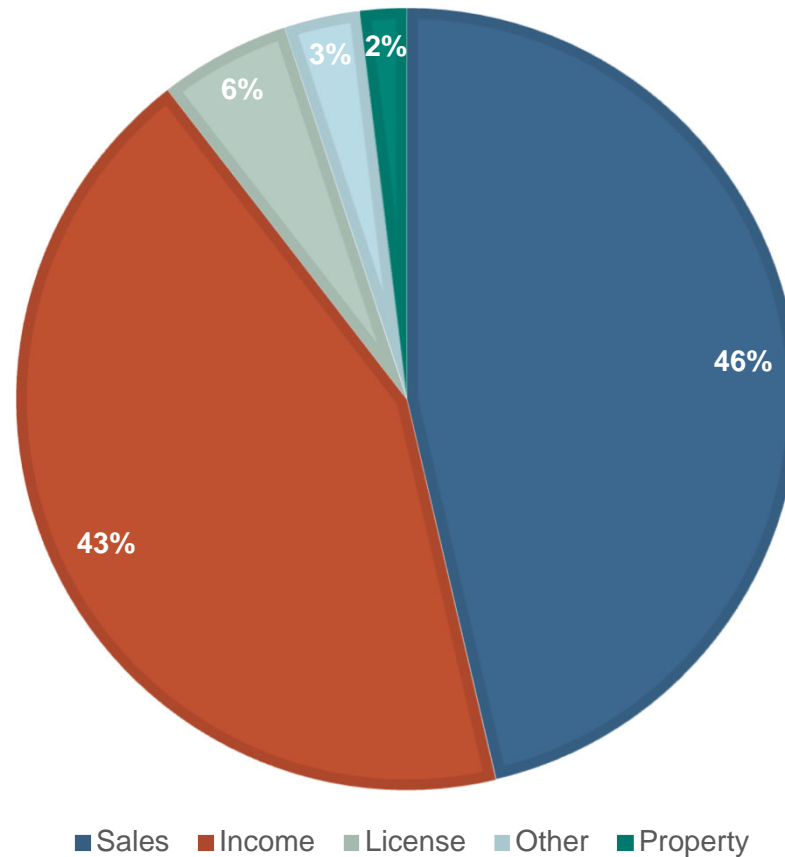
Education Funding Sources

Estimated for 2019-20



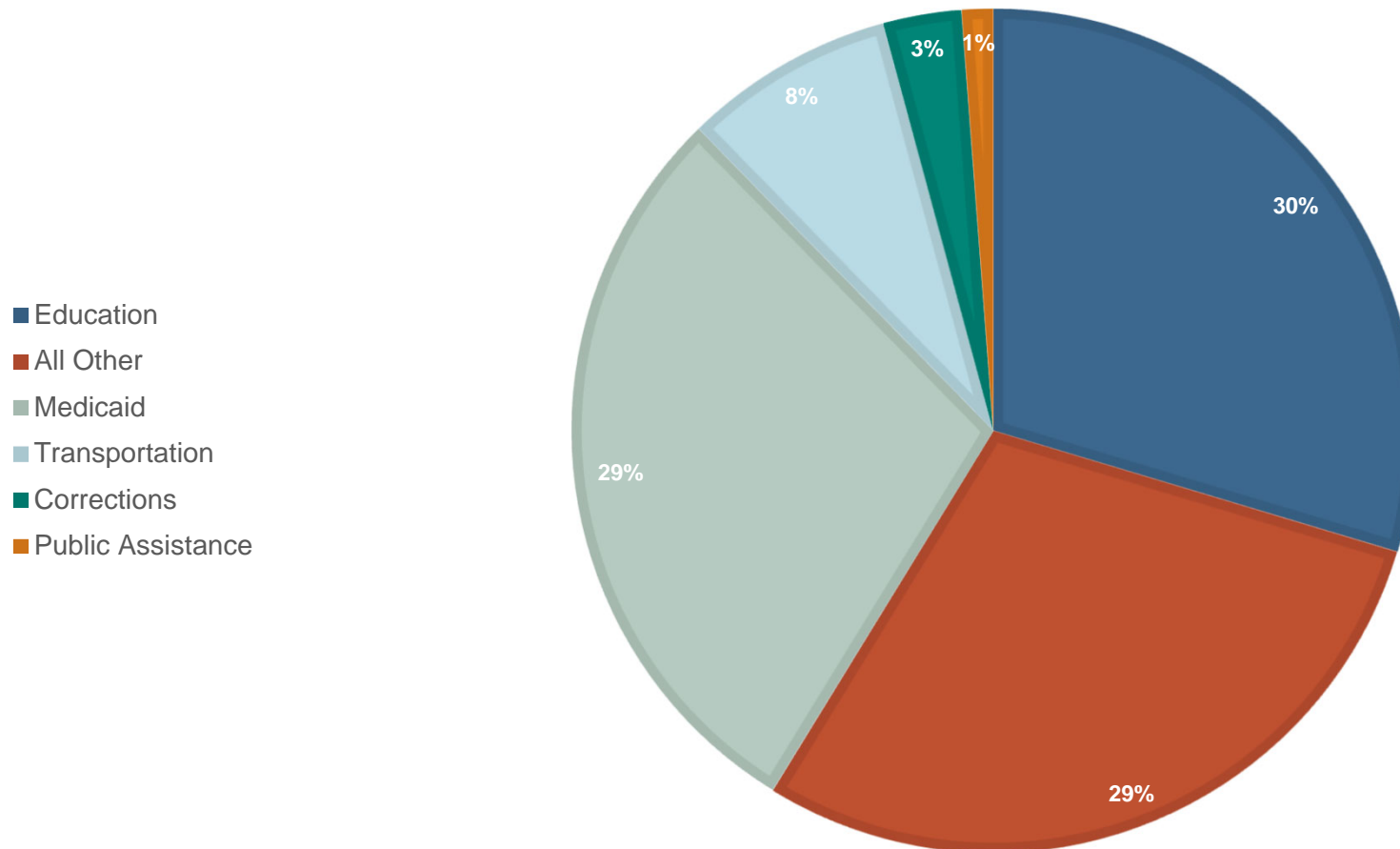
The Importance of Income & Sales Taxes

State Tax Sources
2019



The Importance of Education in State Budgets

STATE EXPENDITURES - 2019



The CARES Act Has Helped (Just not enough)

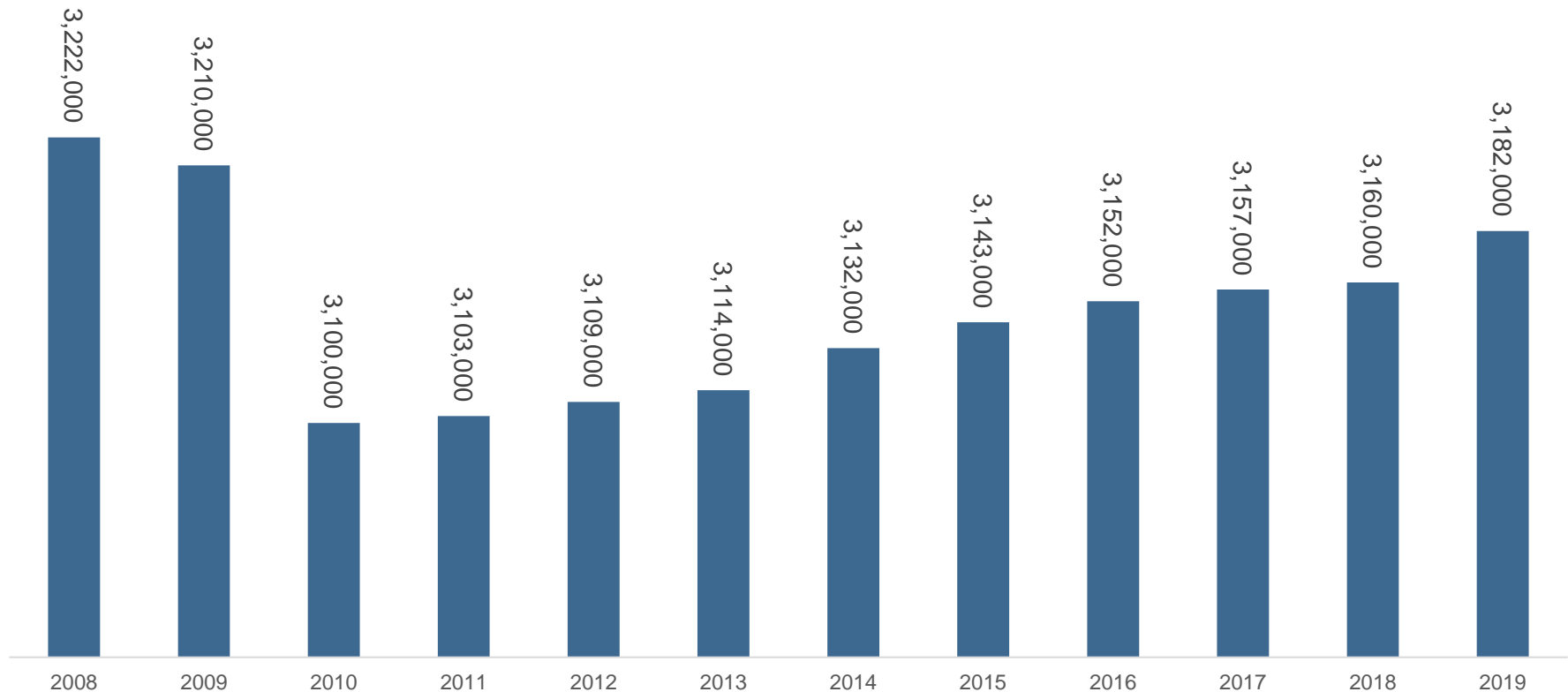
- The [Coronavirus Aid, Relief, and Economic Security](#) (CARES) Act provided \$16.2 billion to education.
- This is equivalent to only 1.9% of P-12 education revenue in the 50 states and Washington, DC, or \$286 per pupil
- In the last recession ARRA (2009) provided over 5 times the funding to education as the CARES Act

Putting the Downturn into Perspective

- At the worst point in the last recession (2010) education revenue decreased by 8.6%
- Current estimates for this downturn range from 15% to 30%
- The COVID-19 Recession could be 2 to 3 times worse for education than the “Great Recession”

The Last Recession's Impact on Teachers

Public School
Elementary & Secondary Teachers



How Could the COVID-19 Impact Teachers (We have a tool for this)

State Education Funding Cuts	Projected Lost Teaching Positions	Percentage Reduction in Teachers
5%	27,944	0.7%
10%	173,511	4.6%
15%	318,882	8.4%
20%	459,850	12.2%
25%	584,094	15.5%
30%	697,675	18.5%

Budget Cuts and Increased Costs

(We have a tool for this)

	2019–20	2020–21	Total
Devices and Connectivity (15% of students at \$500 per student)	\$1,878,454,800	\$1,878,454,800	\$3,756,909,600
Extra Meals at 20 days/year	\$1,448,963,558	\$0	\$1,448,963,558
Expanded Learning Time at 20 days/year for 50% of students	\$0	\$35,954,199,222	\$35,954,199,222
Total Increased Costs	\$3,327,418,358	\$37,832,654,022	\$41,160,072,380
Decreased Education Revenue	\$37,694,542,795	\$150,778,171,180	\$188,472,713,975
TOTAL	\$41,021,961,153	\$188,610,825,202	\$229,632,786,355

Conclusion

- Federal support that is must be sufficient to stabilize education budgets over the next 18 months – and maybe up to 5 years
- At least \$230 billion - and could need up to \$305 billion - is urgently needed to stabilize state education budgets
- Any funding should be targeted to the highest needs schools and communities

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Slide 14

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Mandy Rodrigues, 4/20/2017