



Fiscal Analysts Predict \$4.2B State Revenue Shortfall From 2019-2021

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The state should expect at least a \$4.2B shortfall in General Fund revenue collections from 2019-2021, according to the latest [Consensus Revenue Forecast](#) shared with lawmakers on Tuesday. Nonpartisan fiscal research staff said the forecast had been revised this month to show an estimated \$1.64B revenue shortfall in FY 2019-20 and an additional \$2.57B revenue shortfall in 2020-21 due to COVID-19. While fiscal staff noted there was greater uncertainty around this forecast than usual due to “the unprecedented nature of the ongoing public health crisis,” they also solemnly recognized that the COVID-19 pandemic “has sent the economy into a recession unlike anything seen before.” Members of the Joint Appropriations Committee shared their hopes that the state’s economy would quickly recover, while also noting “significant cuts will have to be made.” While most fiscal analysts agree that the economy took a major hit in the second quarter of this calendar year, the shared Revenue Forecast notes many analysts remain split over how quickly the economy will begin to recover in the third quarter (July-September) and continuing into 2021. State fiscal staff tried to balance different recovery scenarios, and produced a “cautious forecast” based on currently-available information. Importantly, none of the forecasts reviewed by fiscal staff incorporated the possible effects of a second wave of the pandemic hitting the U.S. later this year, meaning the economic forecast could become even more dire if there is a resurgence in the virus.

Fiscal staff concluded their presentation on Tuesday by sharing their plans to revise the revenue forecast again in August, when there will be three more months of data and a better sense of how reopening is going. Members can access the full Consensus Revenue Forecast presentation shared with lawmakers on Tuesday by clicking [here](#).

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