

**REMARKS OF COMPTROLLER PETER FRANCHOT**  
COVID-19 Fiscal Impact Projections Virtual Press Briefing  
*Friday, April 10, 2020*

*As prepared for delivery*

Good morning, everyone, and thank you to everyone tuning in to this virtual press briefing.

Today, I'm joined by Andy Schaufele, who serves as director of our State's Bureau of Revenue Estimates, to discuss our projections of the fiscal impact that the COVID-19 Pandemic will have on our state's revenues.

Before we get into the fiscal and economic briefing, I did want to take this moment to salute Governor Hogan for his steady leadership during this unprecedented moment in time.

He's been a national leader in this effort, and continues to relentlessly fight to ensure that Maryland has the resources and support it needs to save lives and stop the spread of this deadly virus.

As Maryland's Chief Fiscal Officer, I have - for the entire duration of my tenure as Comptroller - repeatedly sounded the alarms on the need for our State to put away as much money as possible to allow us to weather fiscal and economic storms that may come our way.

The storm has finally arrived, and it is stronger and more devastating than we've ever seen before.

Thousands of businesses have had to close their doors, and hundreds of thousands of Marylanders now find themselves without a job - either permanently or temporarily.

We're seeing levels of unemployment, both here in Maryland and nationally, that will far exceed those of the Great Recession more than a decade ago.

Just yesterday, our Labor Department announced that another 108,508 people filed new unemployment claims in Maryland last week.

To put this in perspective, the Labor Department reported just 2,090 filings for the week that ended on March 6.

Meaning that in just under a month, our state's new unemployment filings have increased by nearly 5,200 percent!

Those numbers, as unfathomable as they are, do not reflect those who have been unable to file for unemployment, despite their repeated attempts to do so, simply because the system - like those across the entire country - is simply overwhelmed.

They also do not take into account those who are still technically employed, but have had their hours, wages and salaries reduced substantially.

And those numbers, as any economist is quick to point, do not capture those who have simply given up the search for employment and have dropped out of the labor market.

Whether or not they show up as official statistics in the State of Maryland's database, each and every one of these people are snapshots of a terrifying moment in time.

They are casualties of the worst public health crisis and the most devastating economic catastrophe of our lifetimes.

I've personally spoken with countless small business owners who have already told me that they've had no choice but to shut down for good.

These local, independent, community-based businesses are the beating heart of our state's economy.

Each one of them serve as the hub of their own ecosystem of employees, vendors, suppliers and local business partners.

Every time one of these small businesses closes their doors, the effects are felt painfully by the entire community.

A lot of our fellow Marylanders are hurting and desperate right now, for no fault of their own, and the road to economic and fiscal recovery will be long and difficult.

In the coming months, and over the foreseeable future, the Governor, the Board of Public Works, and the General Assembly will have to make very, very difficult decisions to ensure our state's short-term and long-term fiscal stability.

To be clear, the timeline and pace for when we return to normalcy should *and* must be dictated by our public health experts and must be influenced by the health dangers this virus may continue to pose to our citizens.

But, as Comptroller, I believe it is also critically important to understand how a prolonged shutdown of economic activity in our state will impact our revenues, and the government programs and services that Marylanders need and depend on.

That's why I asked Mr. Schaufele and his team of experts in the Bureau of Revenue Estimates to begin preparing projections on the revenue impacts from this pandemic.

And that's why today, we are sharing these estimates to provide the Governor, the General Assembly, and Marylanders some valuable insights on this pandemic's impact on our state's fiscal health.

At this point, I'd like to turn it over to Mr. Schaufele for his comments.

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