COVID-19: A Conversation with Maryland Comptroller Peter Franchot & Andy Schaufele

Presented by:

Comptroller Peter Franchot, Office of the Comptroller
Andy Schaufele, Director, Bureau of Revenue Estimates
Ashley Duckman, Vice President of Government Affairs, Maryland Chamber of Commerce
Housekeeping

• All attendees are muted and in listen-only mode. To ensure you are muted, please make sure your mic is off using this symbol: 🎤

• Please also be aware that your webcam may be on and recording. You can turn your camera on and off by clicking on this symbol: 📹

• Please add your questions to the chat section. Click on this symbol and type your question for our speaker 🗣️

• If we are not able to get to your question, please reach out to the Maryland Chamber: mdchamber@mdchamber.org

• Today’s webinar will be recorded and added to the Maryland Chamber’s COVID-19 resources page and our YouTube channel: https://www.youtube.com/user/mdchamber
Maryland Chamber COVID-19 Resources

The Maryland Chamber of Commerce has a tremendous amount of resources available for the business community through our COVID-19 page:

https://mdchamber.org/resources/covid-19-resources/

On this page you will find the Maryland Chamber’s newly released:

- **ReNEW Maryland Initiative**, a collection of policy proposals that will assist Maryland in overcoming the economic impact of COVID-19 and rebuilding its economy

- **Safe Workplace: Best Practices and Baselines for Reopening Maryland**, a set of guidelines for employers as they begin to think about reopening in a safe and responsible way
An update from Comptroller Franchot

Comptroller Peter Franchot
Cumulative Maryland Initial Unemployment Insurance Claims - Recent Recessions

Source: U.S. Department of Labor; Comptroller of Maryland, Bureau of Revenue Estimates
Withholding - Spread Between CY19 and CY20 YTD - Source: Cash Collections By Day

3/1/2020: Initial State Of Emergency
3/16/2020: State of Emergency Restated
3/30/2020: Stay-At-Home Order Activated

Key COVID Events

YTD_Spread

Day of Calendar Year
US Nominal GDP Versus MD Nominal GDP: Indexed to 2019Q4

Source: U.S. Bureau of Economic Analysis; Moody’s Analytics Estimated and Forecasted; Bureau of Revenue Estimates
MD Nominal GDP - S2 versus S4 - Indexed to 2019Q4

Source: U.S. Bureau of Economic Analysis; Moody's Analytics Estimated and Forecasted; Bureau of Revenue Estimates
In the Great Recession, Lost 123K Jobs Over the Course of 2 Years

<table>
<thead>
<tr>
<th></th>
<th>S2</th>
<th>S4</th>
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</thead>
<tbody>
<tr>
<td>2020Q2</td>
<td>(252,779)</td>
<td>(342,709)</td>
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<tr>
<td>2020Q3</td>
<td>(173,185)</td>
<td>(186,139)</td>
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<tr>
<td>2020Q4</td>
<td>(201,604)</td>
<td>(212,253)</td>
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<td>2021Q1</td>
<td>(210,678)</td>
<td>(230,829)</td>
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<tr>
<td>2021Q2</td>
<td>(211,346)</td>
<td>(247,193)</td>
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<td>2021Q3</td>
<td>(195,675)</td>
<td>(252,704)</td>
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<tr>
<td>2021Q4</td>
<td>(169,575)</td>
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<td>2022Q1</td>
<td>(146,603)</td>
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<td>(125,913)</td>
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<td>2022Q4</td>
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<tr>
<td>2023Q2</td>
<td>(55,838)</td>
<td>(171,183)</td>
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<td>2023Q3</td>
<td>(40,622)</td>
<td>(151,827)</td>
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<tr>
<td>2023Q4</td>
<td>(28,333)</td>
<td>(135,914)</td>
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Source: U.S. Bureau of Labor Statistics; Moody's Analytics Estimated and Forecasted; Bureau of Revenue Estimates
S4 Scenario - Sources of Revenue Decline

($ in Millions)

<table>
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<tr>
<th>Year</th>
<th>Personal Income Tax</th>
<th>Sales Tax</th>
<th>Other</th>
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<tbody>
<tr>
<td>FY_2020E</td>
<td>(355)</td>
<td>(562)</td>
<td>(208)</td>
</tr>
<tr>
<td>FY_2021E</td>
<td>(1,613)</td>
<td>(721)</td>
<td>(294)</td>
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<tr>
<td>FY_2022E</td>
<td>(2,447)</td>
<td>(928)</td>
<td>(575)</td>
</tr>
</tbody>
</table>
April Update Guidance - Ongoing General Fund Levels
($5s in Millions)

- History
- Mar_BRE
- S2
- S4
Thank You

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Q&A with the Comptroller & Mr. Schaufele

Comptroller Peter Franchot

Andy Schaufele, Director, Bureau of Revenue Estimates