



## Estimated 2020 Revenue Impact

| Fund                                  | 2020 Revenue Impact<br>(below plan) |
|---------------------------------------|-------------------------------------|
| General Fund                          | \$40 M                              |
| Mental Health and Chemical Dependency | \$1.6 M                             |
| Tacoma Creates                        | \$1.6 M                             |
| Streets Initiative                    | \$2.9 M                             |
| Street Fund                           | \$4.3 M                             |
| Parking Fund                          | \$3.8 M                             |
| Permitting                            | \$3.9 M                             |
| Tacoma Dome                           | Contingent Impact                   |
| Convention Center                     | \$4.2 M                             |
| Surface Water and Wastewater          | Limited                             |
| Solid Waste                           | \$2 M                               |
| <b>Total</b>                          | <b>\$64.3 M</b>                     |



# Planning for 2020 and 2021

**FY 2020 is bad.  
FY 2021 will be worse.**

No one knows your city as well as you do. You can do this.

1. Less local aid from States
2. Lower own-source revenues
3. New spending needs
4. Higher borrowing costs
5. Huge uncertainty on duration and depth of crisis

Source: Webinar - Professor Linda Bilmes. "Towards Financial Resilience: Budgeting During COVID-19". Harvard Kennedy School.

CORE SERVICES  
CONTINUOUS IMPROVEMENT  
CREDIBILITY

CITY OF TACOMA  
**BIENNIAL  
BUDGET**  
2019 - 2020

## Projections

### CBO's Economic Projections

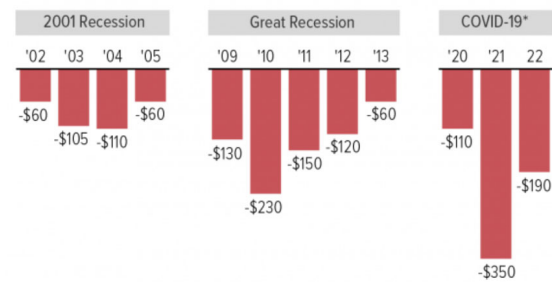
#### Unemployment Rate

| 2020<br>Q1 | 2020<br>Q2 | 2020<br>Q3 | 2020<br>Q4 | 2021  |
|------------|------------|------------|------------|-------|
| 3.8%       | 14%        | 16%        | 11.7%      | 10.1% |

Source: Congressional Budget Office. "Current Projections of Output, Unemployment, and Interest Rates and Preliminary Look at Federal Deficits for 2020 and 2021." April 24, 2020

### COVID-19 State Budget Shortfalls Could Be Largest on Record

Total shortfall in each fiscal year, in billions of 2020 dollars



\* Estimates based on CBPP calculations using Congressional Budget Office and Goldman Sachs unemployment estimates. Does not reflect use of rainy day funds or federal aid already enacted.  
Source: CBPP survey of state budget offices (through 2013); CBPP calculations (2020-2022)

Source: Center for Budget and Policy Priorities. "New CBO Projections Suggest Even Bigger State Shortfalls." April 29, 2020

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