



THE FLORIDA SENATE
SENATOR BILL GALVANO
President

MEMORANDUM

TO: All Senators
FROM: Bill Galvano
SUBJECT: August General Revenue Estimate
DATE: August 14, 2020

This afternoon, staff representatives of the Senate, House of Representatives, Executive Office of the Governor, and the Legislature's Office of Economic and Demographic Research (EDR) are releasing an updated estimate of general revenue available for Fiscal Year 2020-21. While a full report will be available later today on EDR's [website](#), staff indicates that the updated estimate will be approximately \$3.4 billion less than the prior, pre-Covid-19 pandemic, estimate adopted in January.

While this updated estimate is very significant, the revised number is not as dire as earlier predictions had indicated that it would be. Florida's economy, just like the people who call our state home, has proven to be resilient as businesses continue to work incredibly hard to safely reopen.

Like Florida's families and businesses, state government has faced substantial impacts and with less revenue coming in, will have to make adjustments to the way we serve Floridians. Fortunately, our state is well-prepared to face the challenges ahead. As you are aware, last March, anticipating the tough fiscal times ahead, we took the extra time needed and made the difficult decisions necessary to ensure at least \$4 billion in reserves for the 2020-21 fiscal year, which began on July 1. Likewise, Governor DeSantis prudently waited as long as possible to sign the 2020-21 General Appropriations Act, allowing for a thorough assessment of how the impacts of the pandemic had changed between March and June, and ultimately making the difficult decision to veto many of his own priorities to further buffer our state reserves.

The road ahead will certainly not be easy. Florida families continue to feel the impacts of the coronavirus on every aspect of our lives from our own health, to the way we educate our children, to the way we earn a living. While some of these myriad impacts are temporary and may improve with the availability of a vaccine, there is no question that in certain cases, business

August 14, 2020

Page 2

models will change as we return to the work, leisure activities and traditions that make up our lives moving forward. Most importantly we must keep moving forward.

In total, the series of challenging decisions made by the Governor and Legislature has placed our state in a position where we presently have the security of significant, unused state reserves, as well as the availability of federal CARES Act funding, to offset substantial pandemic-related costs.

As a next step, today's general revenue estimate will be incorporated into the constitutionally-required Long Range Financial Outlook, which will be considered for adoption by the Legislative Budget Commission next month. This important document will provide a more holistic view of economic and budgetary factors over the next three years and will serve as an important tool for the Legislature when it reorganizes following the November election.

As has been the case since early March, the situation continues to change on a near-daily basis. For today, I view the updated estimate as a critical step in understanding our future, and I continue to remain optimistic about the ultimate recovery of Floridians personal and economic health. I hope this information will help provide a small sense of security during these uncertain times. As always, I am grateful for the ongoing service you and your professional district staff are providing in communities across our state during this unprecedented pandemic.