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Maine Department of Administrative and Financial Services  
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**State Revenue Forecast Improves Mid-Pandemic**

**Augusta, MAINE** – Today, the Revenue Forecasting Committee (RFC) forecasted State revenues to come in approximately \$489 million higher for the General Fund and \$9.1 million higher for the Highway Fund for the FY22-23 biennium, an increase of approximately 6 percent and 1.3 percent over the RFC’s late July, off-cycle forecast that significantly downgraded projections. Additionally, the RFC now expects revenues for this Fiscal Year to improve by \$275 million in the General Fund and by \$11.4 million in the Highway Fund. These revised targets, though improved, remain considerably below the RFC’s pre-pandemic forecast and reflect the complexity of economic and revenue forecasting in this unprecedented recession.

“Thanks in large part to federal relief, such as enhanced unemployment benefits and individual stimulus checks, and Maine’s strong virus response and good, bipartisan fiscal management by the Governor and Legislature, State revenue loss has been less severe than anticipated – for now at least. As federal pandemic relief sunsets next month – well ahead of any victory against the virus – the Federal government must act to support Maine families in the coming year. We continue to urge Congress, in the strongest of terms, to pass a bill offering continued and comprehensive pandemic relief to states and their citizens,” **said Kirsten Figueroa**, Commissioner of the Department of Administrative and Financial Services. “With new impacts of the pandemic emerging almost daily, we are fortunate to have had the Consensus Economic Forecasting Commission and the Revenue Forecasting Committee convene more frequently, and we will continue to work collaboratively to ensure good fiscal management in support of the services most crucial for Maine families at this time.”

Offsetting today’s revenue projections are a number of actions taken at the onset of the coronavirus pandemic in anticipation of decreased revenues, including bipartisan collaboration between the Governor and the Legislature to revise the supplemental budget, Governor Mills’ instruction to all departments to apply an emergency-basis scrutiny to spending and hiring as well as Governor Mills’ order to curtail approximately \$221.7 million from the General Fund and \$23 million from the Highway Fund for the current Fiscal Year.

The Governor’s instruction to all departments to apply an emergency-basis scrutiny to spending and hiring remains in place, including freezing certain already vacant positions and access to all unencumbered balances for Fiscal Year 2020.

The Budget Stabilization or so-called “Rainy Day” Fund stands at \$259.3 million. More than \$50 million has been deposited into this Fund since Governor Mills took office.

The full report from the RFC is expected on December 1 and will be available at <http://legislature.maine.gov/ofpr/revenue-forecasting-committee/9609>.

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