

COVID-19 State Budget Crisis Explained by Experts

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Dominik Doemer

The COVID-19 crisis is having serious consequences for state and local budgets, with large budget shortfalls projected at a time when public services are more important than ever. The federal government may step in - but it may not. States may raise taxes or cut their budgets, reducing services and laying off workers.

Below, find a list of scholars who are available to be contacted for comments and analysis by journalists writing about these budget shortfalls, working to understand what the choices ahead could mean for families, communities, and states, as well as for policymakers grappling with these issues.

RASHEDA L. WEAVER

Rutgers University



"The negative effects of state and local budget cuts will have profound effects on community economic development for years. In this time of crisis, we must invest in services like schools, higher education, and hospitals that protect our health and advance our skills. Doing so will enable us to reimagine and reinvent ourselves once this crisis is over."

NORA GORDON

Georgetown University



"States are facing huge revenue shortfalls, just when school districts need help creating and sustaining new models of education. This makes federal relief essential for supporting students through COVID-19 and its economic impact. To work best, it needs to be structured flexibly, and to keep flowing."

RANDY ALBELDA

University of Massachusetts Boston



"COVID-19 has been devastating for families and the economy. But it has also been a disaster for state and local budgets. Cuts will mean less resources, less people caring for our families, communities, our social and transportation infrastructure. These are all vital for our current and future personal and economic well-being."

CHARLES HANKLA

Georgia State University



"It is critical that state and local governments, which are in the best position to target services and stimulus money to the disparate needs of different locales, continue to function. Because states have balanced budget amendments, and because a recession is not the time to raise taxes, the federal government must assist states in making up budget shortfalls. This assistance must protect the autonomy of state and local governments, but it must also come with clear guidelines and sunset clauses so that states do not become permanently dependent on this new federal assistance."

CHRISTOPHER HOWARD

College of William and Mary



"One reason the pandemic has been so devastating is that our social safety net has problems helping the needy even in good times. That's not just a statement about government programs; the social safety net also relies on employers, churches, charities, and other non-profits."

MATTHEW KRAFT

Brown University



"We are facing devastating education funding shortfalls in the U.S. without major federal intervention. Low-income districts, which rely most on state aid, are likely to bear the brunt of state budget shortfalls. It is critical that the federal government act and that we use an equity lens when addressing the disproportionate effects of the economic crisis on public education."

ARTHUR MACEWAN

University of Massachusetts-Boston



"Anticipated shortfalls in state budgets will mean states either need to raise revenue or cut spending (services). Cutting services in a time when social needs are exacerbated would do great harm, while raising taxes tends to do less harm. It would be especially desirable to raise the tax on capital income, which accrues largely to upper income households."

ALICIA SASSER MODESTINO

Northeastern University



"History shows that spending cuts are more harmful than tax increases during recessions — especially in a downturn expected to be sharp but short like this one. Why? Shrinking safety-net programs like food pantries, housing, and health care remove spending from the economy when it is most needed and from the people who need it the most."

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