

**STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY**

VOLUNTARY DISCLOSURE  
COVID-19 DISCLOSURE #3

Dated: May 13, 2020

On March 23, 2020, the Treasurer (the “Treasurer”) of the State of New Jersey (the “State”) disseminated a voluntary disclosure (“COVID-19 Disclosure #1”) regarding the impact that the novel coronavirus (“COVID-19”) is expected to have on the State’s economy and financial condition. On April 17, 2020, the Treasurer of the State disseminated a second voluntary disclosure (“COVID-19 Disclosure #2,” and together with the COVID-19 Disclosure #1, the “Prior COVID-19 Disclosures”) to provide additional updates.

The Treasurer is disseminating this voluntary disclosure (“COVID-19 Disclosure #3”) to provide additional updates to the Prior COVID-19 Disclosures in light of projections distributed on May 13, 2020 by the Office of Revenue and Economic Analysis (“OREA”), a division of the Department of the Treasury of the State, to the State Legislature which discuss the potential impact of COVID-19 on the State’s economy and revenues (the “OREA Report”).

The OREA Report provides descriptions of the general impact that COVID-19 has had on the national and State economies. Based on those economic descriptions and assumptions, OREA projects that fiscal year 2020 budget revenues of \$36.708 billion are projected to be \$2.757 billion, or 7.0 percent, lower than the revenue projections in the Governor’s Budget Message for fiscal year 2021 delivered on February 25, 2020. Fiscal year 2021 budget revenues of \$33.815 are projected to be \$7.346 billion, or 17.8 percent, lower than the Governor’s Budget Message. Thus, the estimated budget revenue shortfalls for fiscal year 2020 and fiscal year 2021 when compared to the Governor’s Budget Message equal approximately \$10.104 billion combined. These revenue projections are based upon a wide variety of economic assumptions, including the assumption that there is no resurgence of COVID-19 cases later in calendar 2020. Moreover, these revenue projections do not include any new tax policy proposals for fiscal year 2021 as recommended in the Governor’s Budget Message, in order to provide a clean baseline for understanding budget planning needs during the current pandemic.

The revenue projections are based on the best available information at this point in time and are subject to revision as the current, unprecedented landscape continues to evolve. As stated in the Prior COVID-19 Disclosures, the State does not know the full impact that COVID-19 will have on its economy or financial condition, which will also depend significantly on future actions and developments many of which are outside of the control of the State. It will be some time before the State is able to fully assess how the varying impacts of COVID-19 will impact its revenues and expenditures, both for this fiscal year and for future fiscal years. Accordingly, all projections of the State are based on limited data without historical precedence, and the State expects many changes to its projections as the full impact of COVID-19 is better known. The State’s COVID-19 Fiscal Mitigation Act, P.L. 2020, c. 19, requires the Treasurer of the State to submit a revised spending plan for fiscal year 2020 to the State Legislature by May 22, 2020 to account for the anticipated revenue shortfalls.

TREASURER, STATE OF NEW JERSEY