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U.S. States Face Biggest Cash Crisis Since the Great Depression.

The drop in tax revenue has led to a total shortfall expected in the hundreds of billions of dollars—greater than 2019’s K-12 education budget for every state combined, or more than twice the amount spent that year on state roads and other transportation infrastructure.

Connecticut acted fast. Social distancing, lockdowns and testing slashed Covid-19 cases in the spring.

But when Comptroller Kevin Lembo opened an email from his budget director on April 15, it was clear the state’s quick action to contain the pandemic hadn’t insulated its finances.

“We hit the brakes so quickly on the economy that we went through the windshield,” his deputy wrote.

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The Wall Street Journal

By Heather Gillers and Gunjan Banerji

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