RUNNING ON FUMES: IMPACT OF COVID-19 ON COUNTY FINANCES

COUNTY ECONOMIES 2020

ISSUE BRIEF | APRIL 2020

NACo's MISSION

Strengthen America's counties.

NACo's VISION

Healthy, safe and vibrant counties across America.

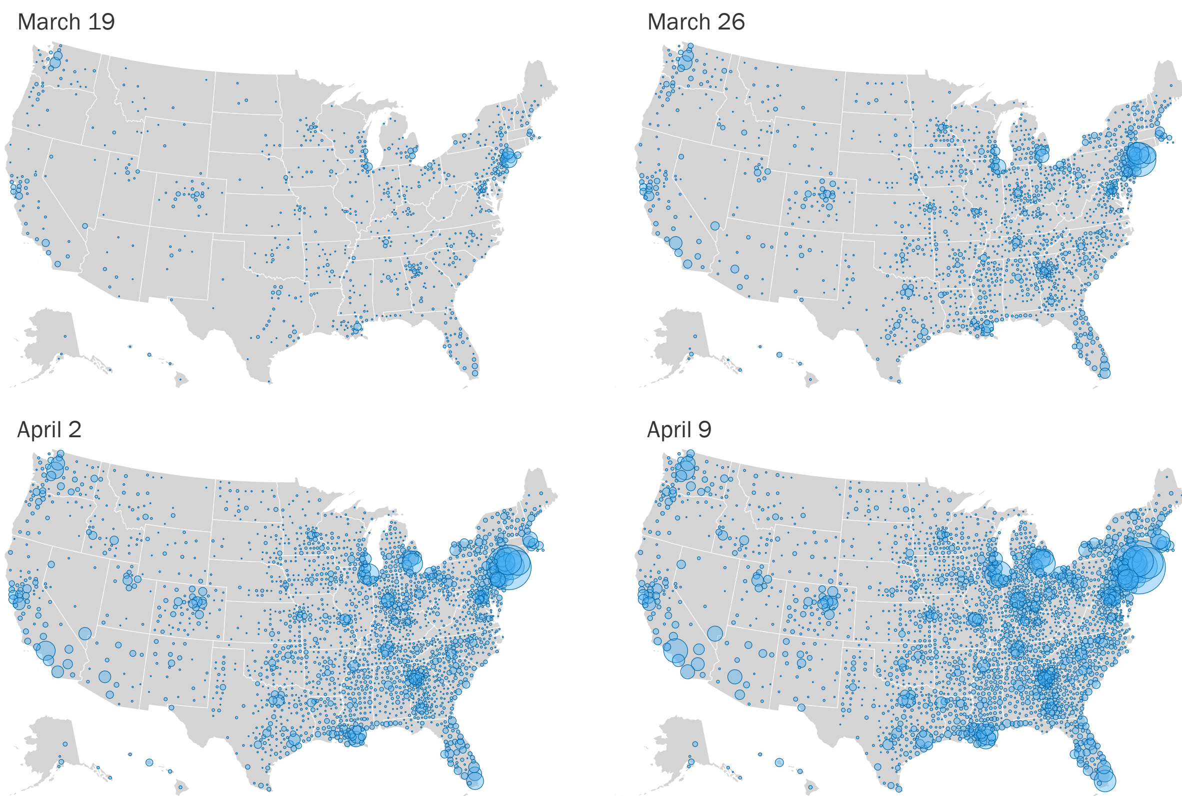
ABOUT NACo

The National Association of Counties (NACo) strengthens America's counties, serving nearly 40,000 county elected officials and 3.6 million county employees. Founded in 1935, NACo unites county officials to:

- **Advocate county priorities** in federal policymaking
- **Promote exemplary county policies** and practices
- **Nurture leadership skills** and expand knowledge networks
- **Optimize county and taxpayer resources** and cost savings, and
- **Enrich the public's understanding** of county government.

COUNTIES ARE POURING RESOURCES INTO SLOWING THE SPREAD OF COVID-19

SPREAD OF CONFIRMED COVID-19 CASES IN U.S. COUNTIES:

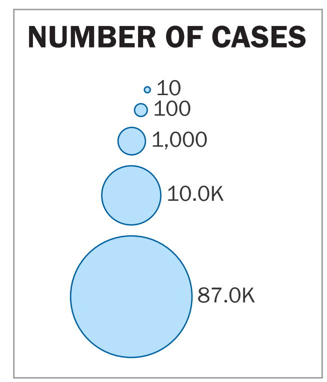


Source: The New York Times.

Note: The map shows the known locations of coronavirus by county. Circles are sized by the number of people who have tested positive, which may differ from wehre they contracted the illness.

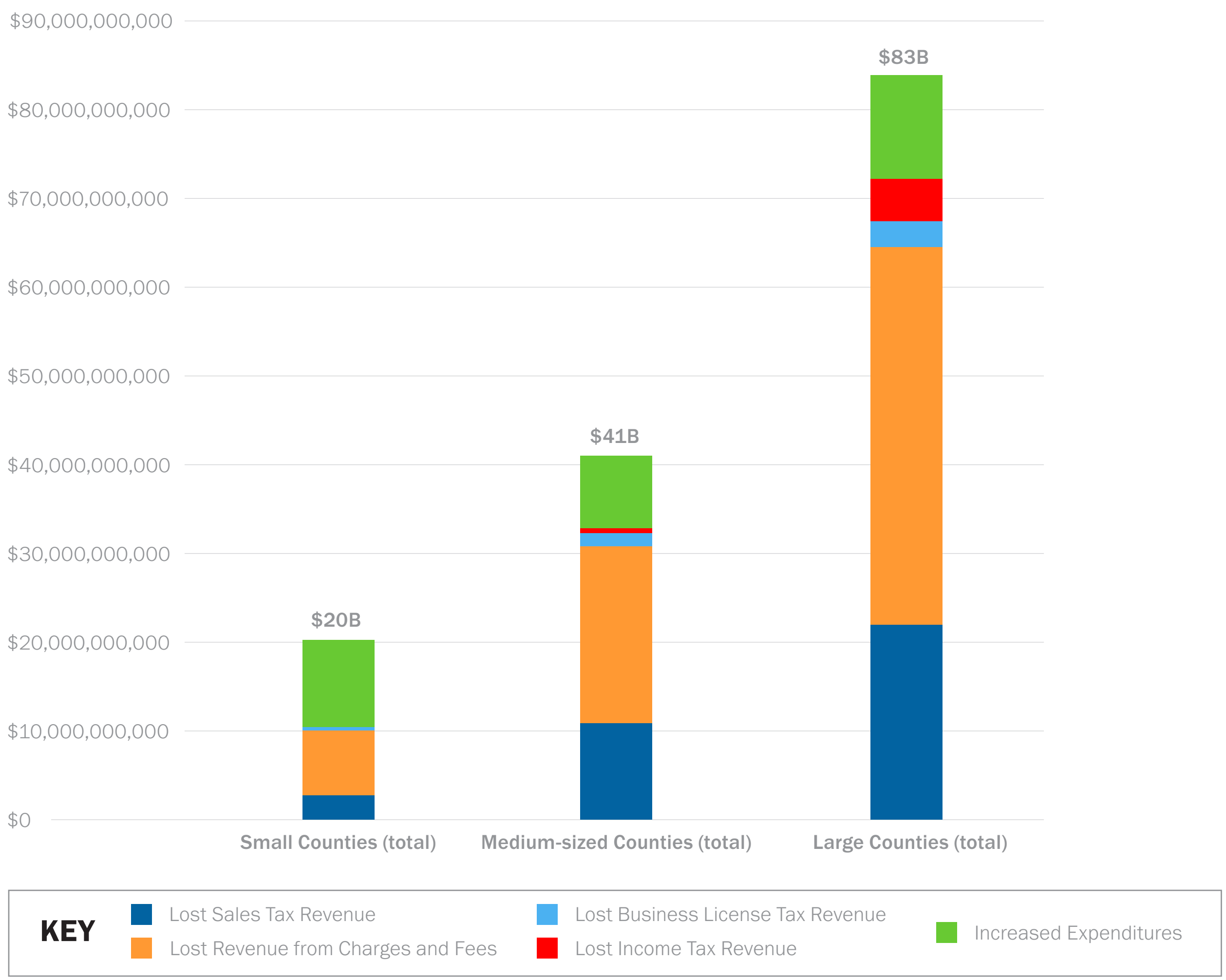
On April 16, there were over 623,000 confirmed cases of COVID-19 in the U.S., as well as nearly 27,000 deaths.[1] As the COVID-19 pandemic progresses, counties are pouring resources into slowing the spread and addressing the health and safety of residents. **County governments provide critical services needed for the nation's COVID-19 response and recovery efforts, but are facing serious revenue shortfalls and budgetary challenges resulting from the pandemic.** Now more than ever, we need a strong federal-state-local partnership to catalyze COVID-19 response and recovery.

COVID-19 will cause major revenue shortfalls and increased expenditures for counties, who must continue to provide critical services for our residents but often lack the authority to raise new funds. We need the support of our state and federal partners to uplift America's communities during and after COVID-19.



COVID-19 MAY HAVE OVER $144 BILLION IMPACT TO COUNTY BUDGETS THROUGH FY2021

Estimated Impact of COVID-19 to County Budgets Through FY2021



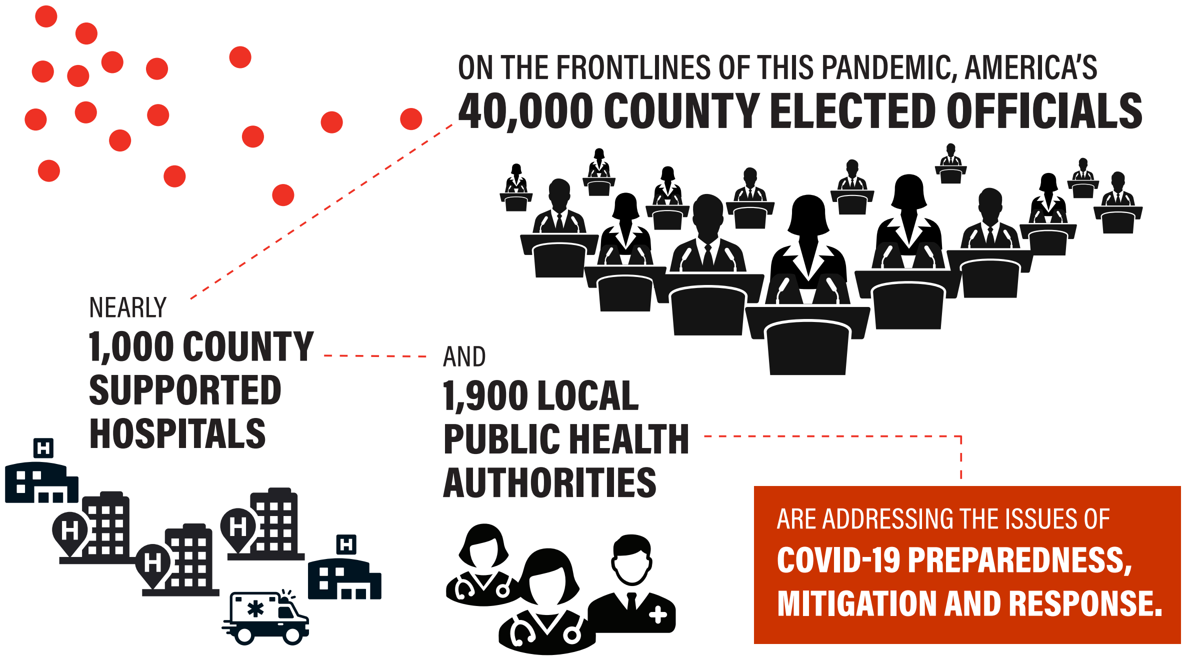
Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, NACo analysis of survey data from county leaders

The COVID-19 pandemic has the potential to impact county budgets by over $144 billion through fiscal year 2021.[2] This estimate includes anticipated increases in expenditures, lost sales tax revenue, lost revenue from charges and fees, lost business license tax revenue and lost income tax revenue. An additional $54 billion in property tax revenue is at risk in states where counties have not yet collected any or all property tax revenue.[3]

Large counties with over 500,000 residents would see the largest increase in expenditures and the largest decrease in revenue, amounting to an approximately $83 billion impact. However, small counties with less than 50,000 residents would have their budgets impacted the most. Between lost revenue and increased expenditures, in total, **small counties may see a nearly one quarter (24 percent) percent reduction in their budgets.**

These estimates are conservative in that they do not take into account the amount of revenue that would be lost from property taxes should home prices and assessments decrease, nor do they take into account funding that states share with counties from sources like state sales or income taxes.

COUNTIES PROVIDE CRITICAL SERVICES TO LEAD RESPONSE AND RECOVERY EFFORTS



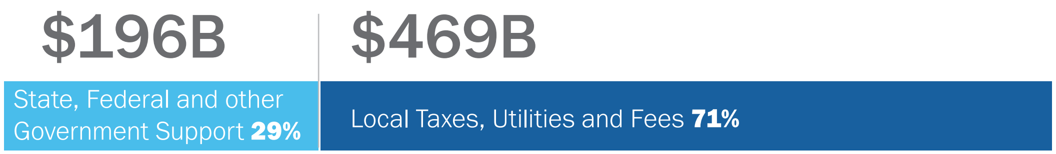
Counties are on the frontlines of responding to the COVID-19 pandemic in the U.S. With involvement in over 1,900 local health departments, nearly 1,000 hospitals and 3,053 police and sheriffs' departments, as well as annual investments of nearly $107 billion in justice and public safety, nearly $100 billion in hospitals and health services and $63 billion in human services, county services and budgets are being severely strained as we pour our resources into saving residents' lives.[4]

America's 40,000 county elected officials are leading 3.6 million county employees to respond to the pandemic, operating 911 call centers and county Emergency Operations Centers, as well as administering human services programs for the millions of newly unemployed residents. **With these costs and responsibilities growing throughout the crisis, the partnership between counties, states and the federal government has become more crucial than ever during this pandemic.**

Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, NACo analysis of survey data from county leaders

MAJOR COUNTY REVENUE STREAMS FACING SIGNIFICANT DECREASES AS A RESULT OF COVID-19

71% of county revenue comes from funding streams threatened by COVID-19.

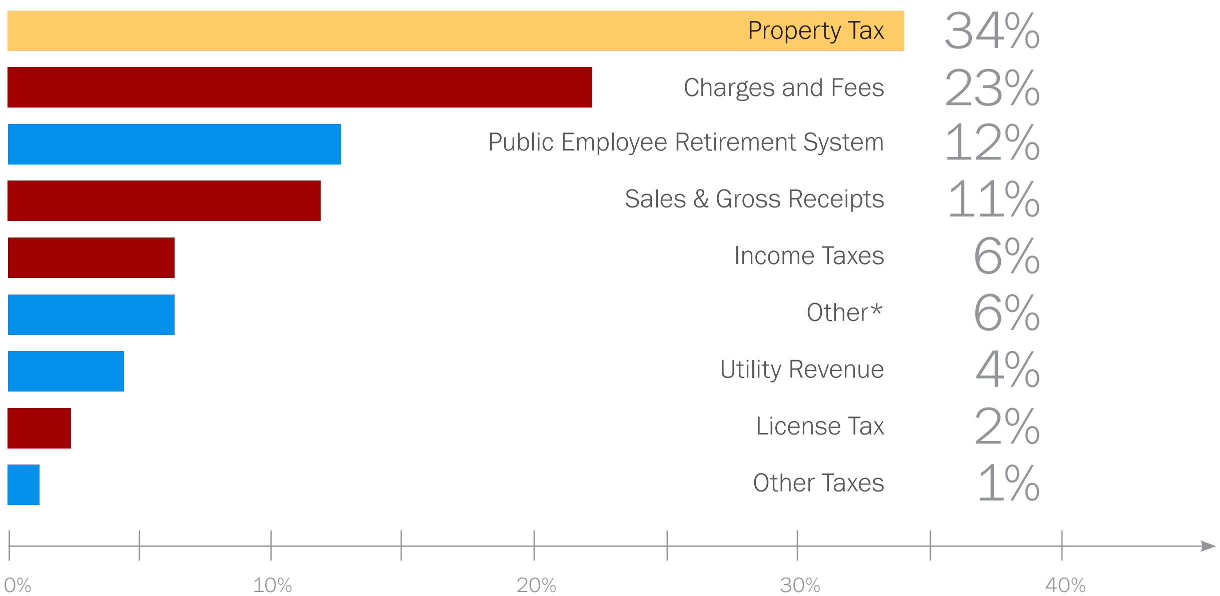


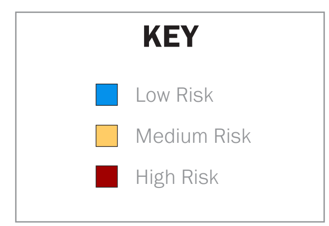
County governments raise 71 percent, or $469 billion, of our revenue locally through taxes, administrative charges and fees and utility revenue, with voter approval. About 29 percent ($196 billion) of county revenue came from state governments, the federal government and other local governments. Intergovernmental funding is necessary for counties to meet the needs of residents.

Property taxes accounted for the largest proportion of self-generated funds, comprising 34 percent of county-generated revenue, followed by charges and fees (23 percent), the public employee retirement system (12 percent) and sales and gross receipt taxes (11 percent).

Charges and fees, sales and gross receipt taxes, income taxes and license taxes, which together comprise 42 percent of all county-generated revenue, are in danger of a dramatic decrease because of the COVID-19 pandemic.

County-Generated Revenue in Jeopardy from COVID-19



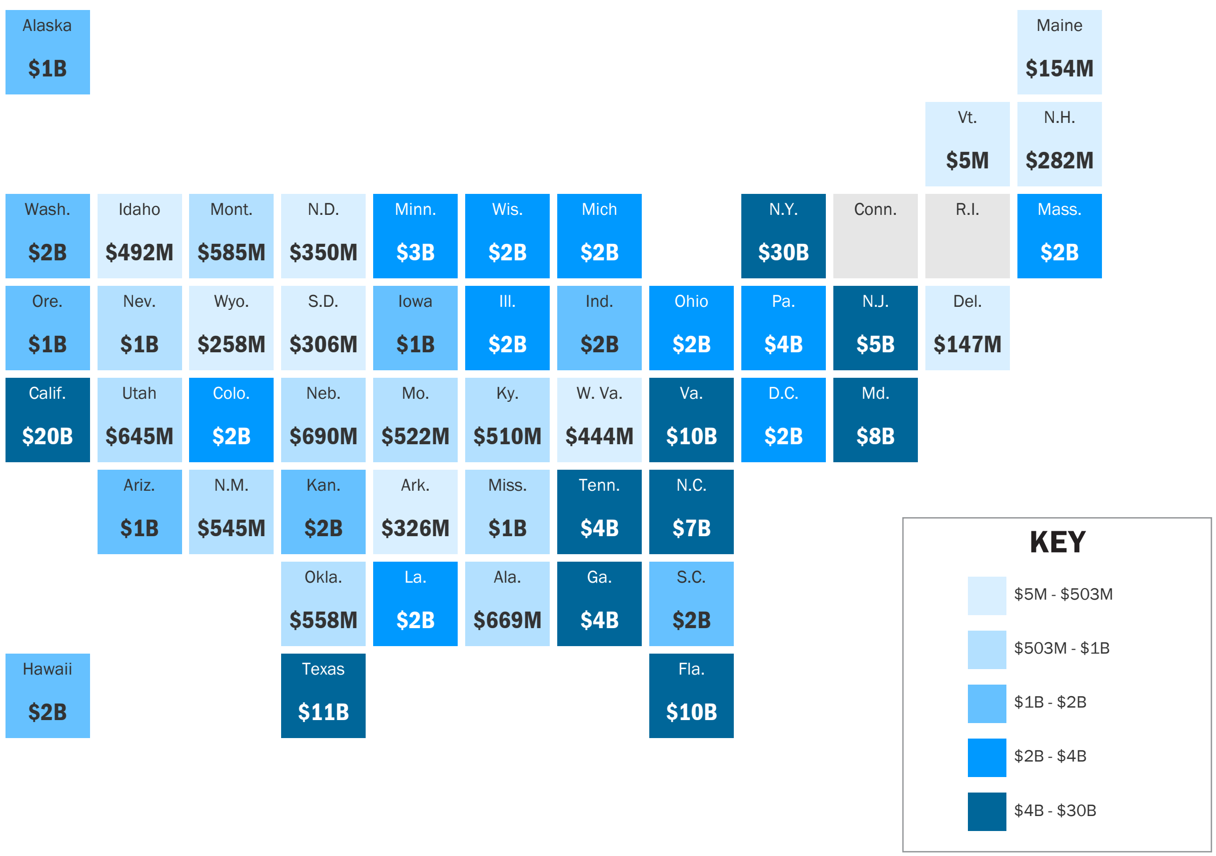


Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

PRIMARY SOURCE OF COUNTY REVENUE DELAYED AND REDUCED IN MANY STATES

Counties generate 71% of revenue through local taxes, administrative charges, and utility revenue – all of which are under threat during COVID-19.

COUNTY PROPERTY REVENUE COLLECTED IN EACH STATE



Source: U.S. Census Bureau - Census of Individual Governments: Finance

Property Tax Revenue: Reevnue collected from taxes imposed on ownership of property and measured by its value.

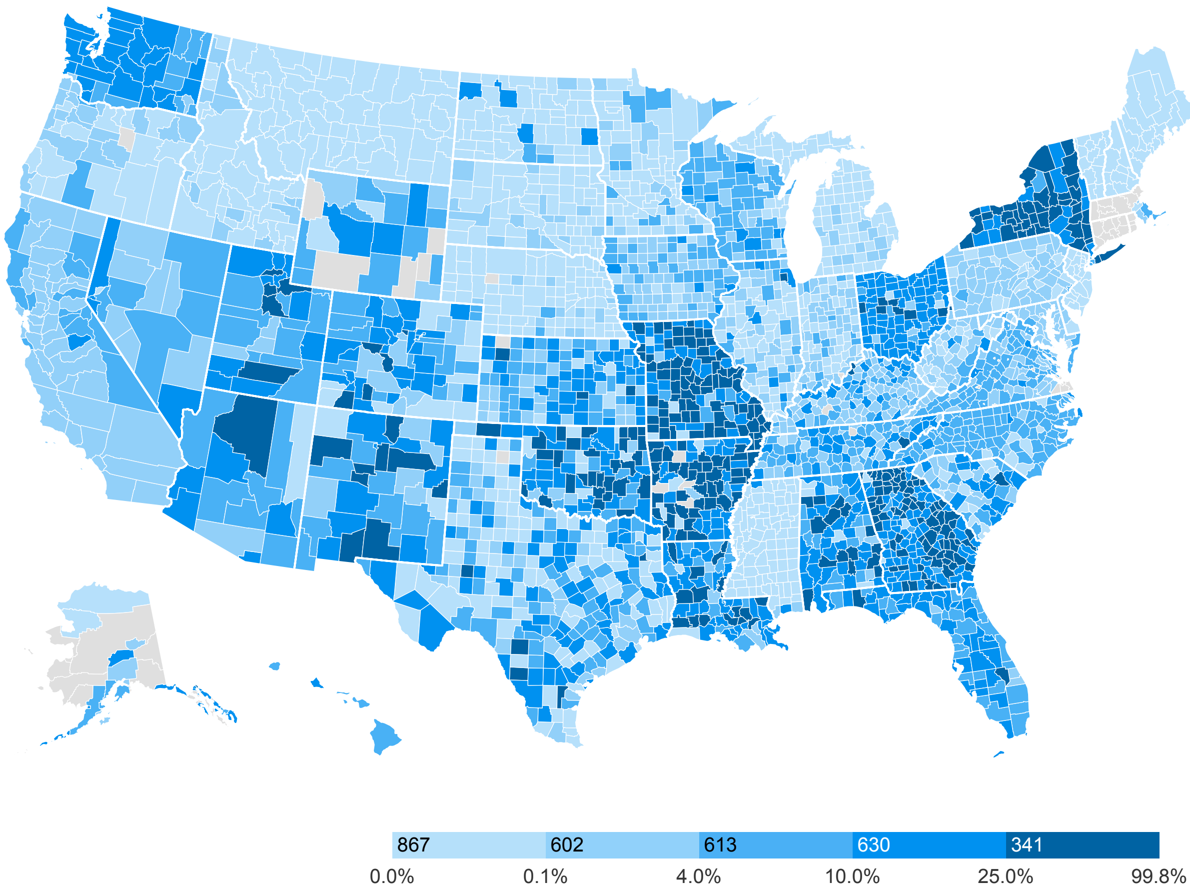
Property taxes – the primary source of revenue for counties in most states – are a fairly stable source of revenue for counties, but **the COVID-19 crisis is causing delays and reductions in property tax collection.** Many counties are extending the deadline for residents to pay property taxes or waiving late fees, **delaying our primary annual income infusion and causing apprehension as expenditures rise.** California counties, especially, are struggling to decide how to balance their need for property tax revenue with the needs of many residents and small businesses to delay paying the tax, since the collection deadline is April 10.[5]

Counties are limited in our ability to raise additional revenue, even when additional expenditures make it imperative to balance budgets. Counties collect property taxes in 45 states, but most often, counties keep less than a quarter of this revenue, apportioning the largest portion (about half) to the school systems. Furthermore, all 45 of these states place limitations on county property tax authority.

According to a recent study of past epidemics, home prices remained fairly stable throughout the duration of the outbreaks, even though the number of transactions dropped significantly during the actual epidemic.[6] Property tax revenue may not experience as large of a decrease as other revenue sources, but counties will still need to rely on financial reserves until they can collect the revenue.

SALES TAX REVENUE DROPS WITH NONESSENTIAL BUSINESSES SHUTTERED

Sales and Gross Receipts Taxes, Share of All Revenue



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

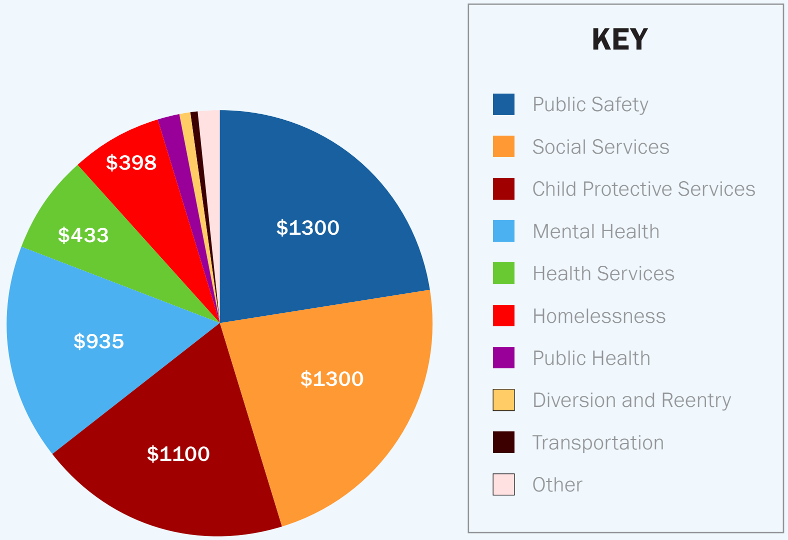
Over 11 percent (341) of counties rely on sales taxes for more than a quarter of revenue. **With stay at home orders in place and nonessential businesses closed in at least 42 states, counties that rely on sales taxes are expecting to see the largest decreases in revenue due to COVID-19.**

The most sales tax reliant counties are located in Arkansas, Georgia, Missouri, New York and Oklahoma. About two thirds (63 percent) are small counties and about one third (34 percent) are medium-sized counties. Of these states, Georgia, Missouri and New York have issued stay at home orders, and New York has been hit the hardest by far, with nearly a fifth (18 percent) of the nation's COVID-19 cases occurring in New York counties outside New York City.

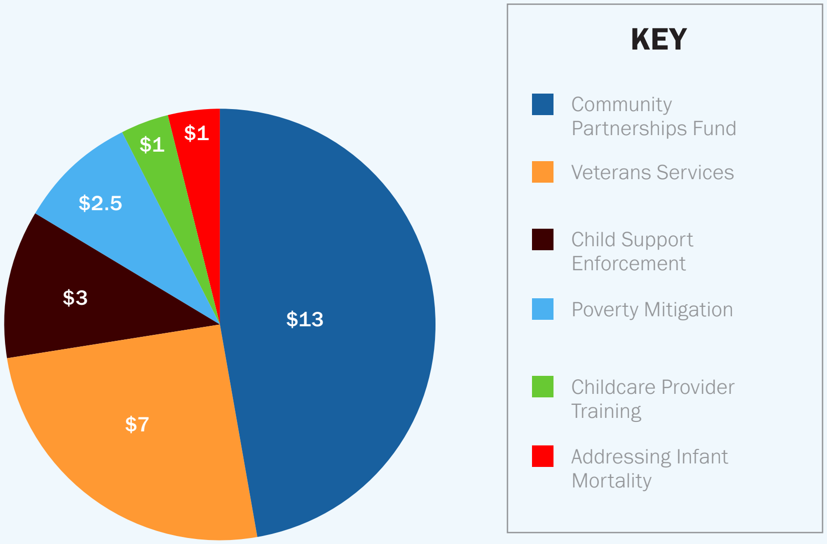
Counties in the 19 states which do not permit counties to collect local sales taxes may experience less of decrease in revenue, especially those in states without any sales tax, such as Delaware, Montana, New Hampshire and Oregon.[7]

LOSS OF SALES TAX REVENUE MAY RESULT IN CUTS IN ESSENTIAL COUNTY SERVICES

Los Angeles County expenditures funded by state sales tax revenue (in millions)



Franklin County expenditures funded by state sales tax revenue (in millions)

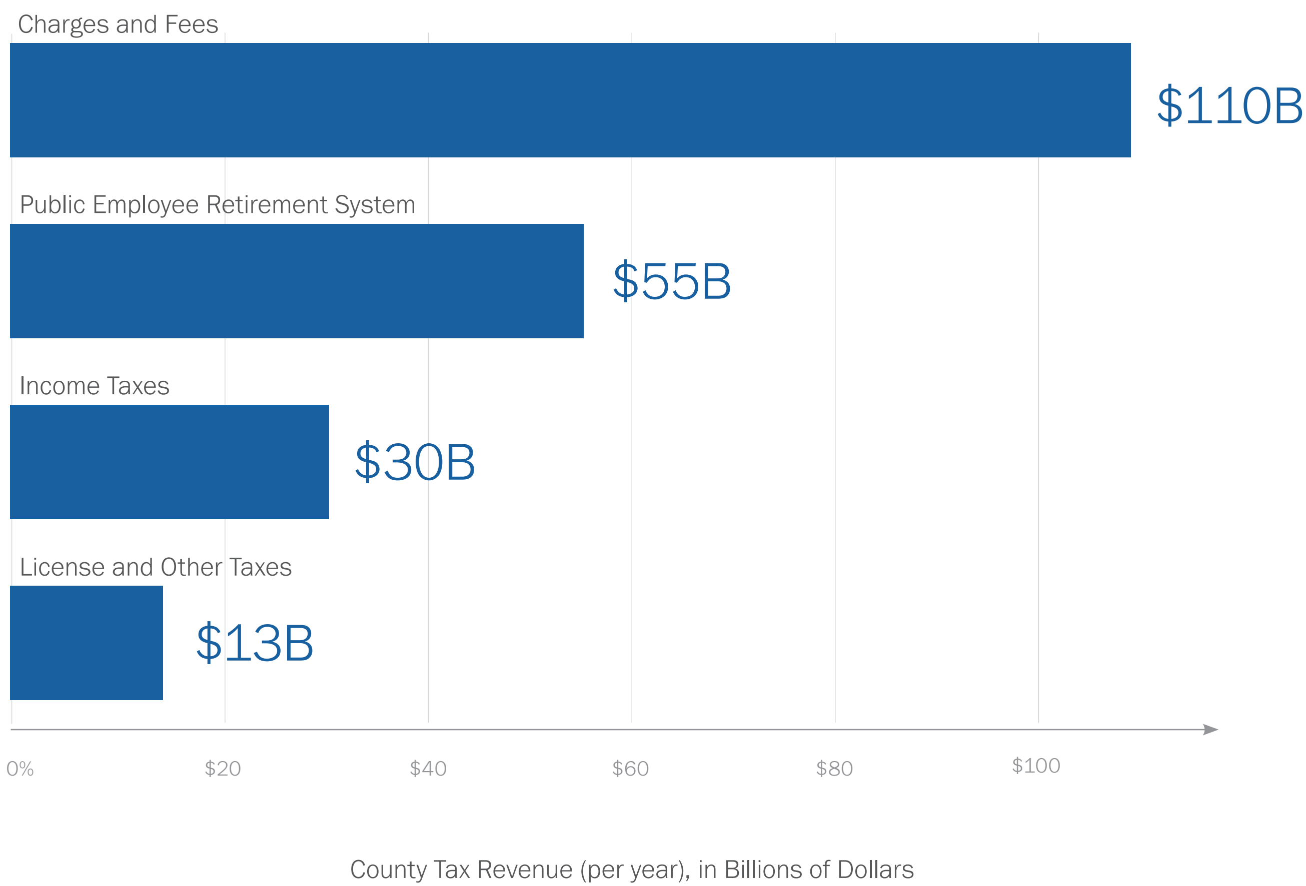


Los Angeles County, Calif., the nation's most populous county, estimated costs of $290 million over the course of six months. It has also estimated that 50 of the 88 cities within the county will face additional total response costs of roughly $145 million. Moreover, the county expects significant losses to state sales tax revenue, which normally brings in about $6 billion annually to the county. **With daily county economic output down by 35 percent, Los Angeles County could see a 25 percent (or $1.4 billion) loss in sales tax revenue, resulting in drastic cuts to key programs and services.**[8]

Franklin County, Ohio, which relies primarily on sales tax revenue, is **conservatively predicting a 25 percent decrease in sales taxes, resulting in a loss of $75 million for the county, and $675 million for all Ohio counties.** This loss of revenue would impact Franklin County's support of human services nonprofit providers, veterans service commission, child support enforcement agency, poverty mitigation programs, childcare provider training programs and more.[9]

OTHER TAXES AND FEES EXPECTED TO DECLINE AS U.S. ECONOMY PAUSES

$208 Billion Collected by Counties in Other Taxes and Fees (per year)



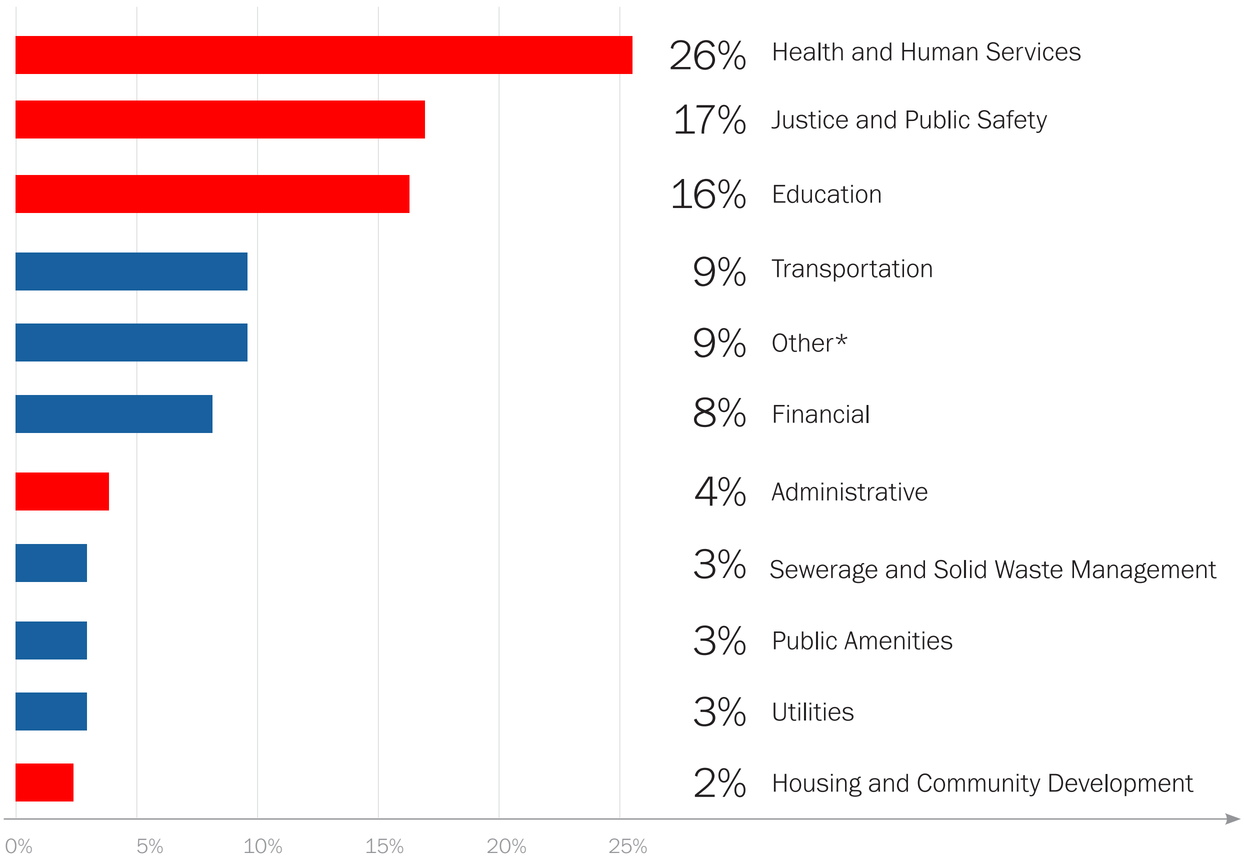
Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

Alongside property and sales taxes, counties rely on income taxes, license taxes, other taxes, the management of public employee retirement systems and charges and fees for county services – when allowable under state law. **These county revenue streams, which provide $208 billion to counties – or nearly one third (31 percent) of all our revenue – are also in jeopardy.**

Counties expect to see the most prominent decrease in charges and fees, the largest county-generated revenue source aside from property taxes. This revenue group includes highway tolls, revenue from county-operated facilities (like recreational centers and court), education- and library-related charges and fees from the sale of natural resources, like agriculture, minerals or timber.[10] These charges and fees are likely to decrease in proportion to the economic slowdown. Real estate transaction fees, recorder fees and building permit fees will also decrease as the housing market comes to a halt. Income taxes and business license taxes may also decrease as unemployment rises and small businesses struggle to stay afloat, and nonessential businesses that are temporarily closed will in most cases not need to pay license taxes until they reopen.

COUNTY EXPENDITURES SOAR AS LOCAL FRONTLINE WORKERS FIGHT THE PANDEMIC

Top County Expenditures Increasing Dramatically During Pandemic



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

Counties spend billions of dollars to serve residents, investing more than $638 billion in 2017. With the COVID-19 pandemic sweeping the nation, counties are seeing major drops in revenue and major increases in expenditures like health, human services, justice, education, housing and other categories that together comprise 65 percent of county expenditures.

Preliminary estimates from NACo show that counties could expect a nearly $25 billion increase in expenditures, should the pandemic last for a full year at its current level of severity. Depending on the severity of the crisis, this estimate has the potential to be much higher. This would translate into the median county spending approximately 8 percent of its resources in response to COVID-19, with some counties spending considerably more based on roles and responsibilities.

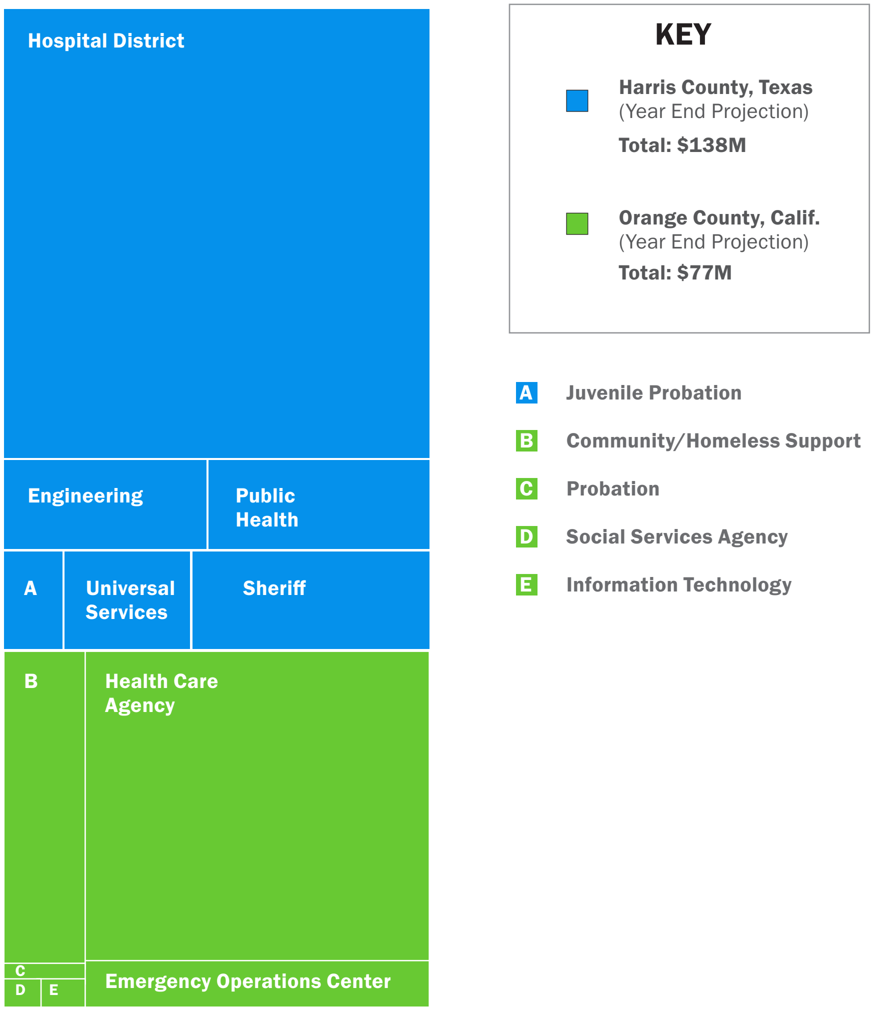
Should the virus continue for a full year, 1,142 counties may spend over 10 percent of their budgets in response to COVID-19, and 76 counties may spend over half of their budgets. This massive increase in expenditures could result in many counties needing to address staffing and forgo important services for residents, such as infrastructure and maintenance.

KEY

- Low Risk
- High Risk

COUNTY BUDGETS STRAINED BY UNPRECEDENTED RISE IN EXPENDITURES

Additional County Expenditures



Clark County, Nev., home to 2.2 million residents, has early estimates of **$1.08 billion**. This number includes unbudgeted impacts to the county hospital, emergency services, human services, aviation (McCarran International airport), and lost revenue for the duration of FY20 and for FY21. This number also includes two pay periods (30 days) of additional staff costs.

Harris County, Texas has already incurred nearly $43 million of expenditures and expects to continue to invest nearly $11 million each month, resulting in nearly **$138 million** in additional expenditures by the end of 2020. The county is investing additional funds in its county hospital district, public health services, sheriff's department, public works department, among other items. These estimates do not include lost revenue and productivity. Nor do these estimates include additional overtime for peace officers, which could amount to nearly $2 million per week.

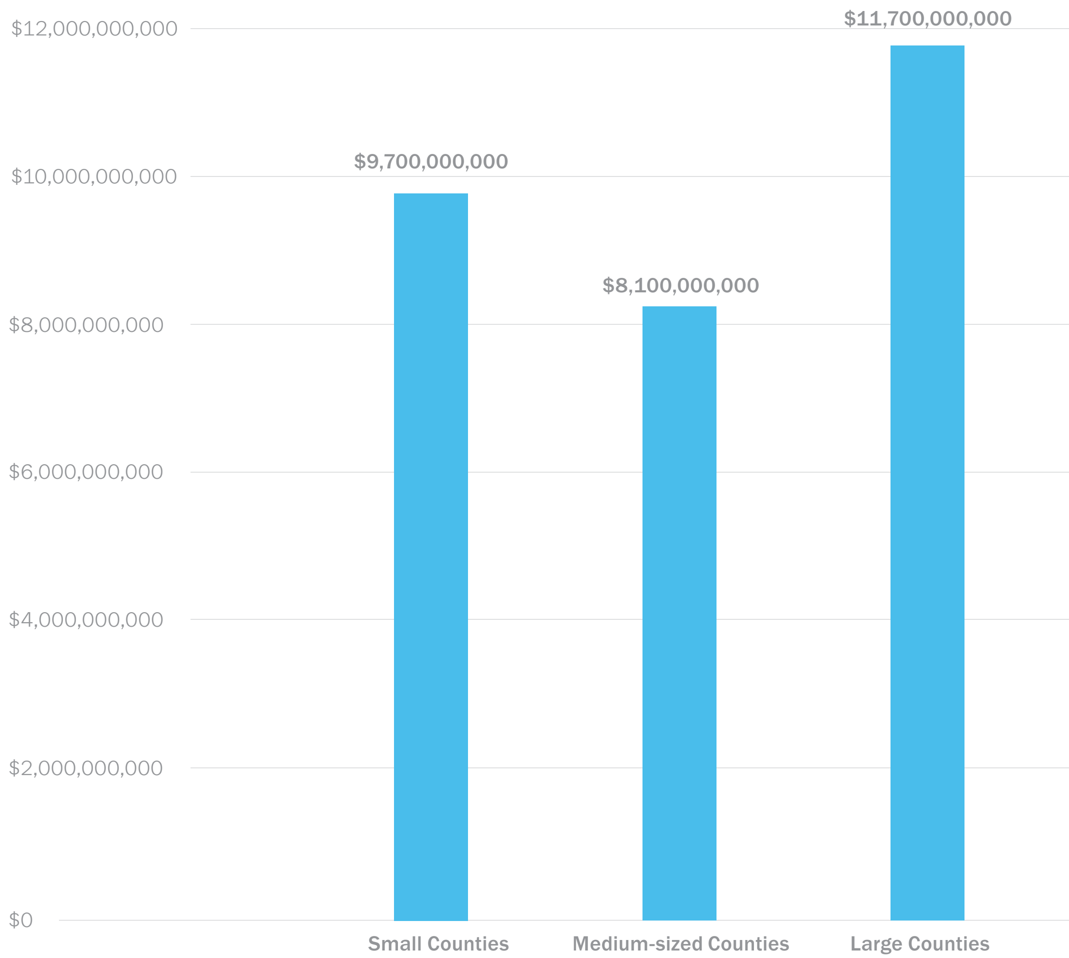
Hamilton County, Ohio has estimated that the pandemic has cost $1 million so far in expenditures. More importantly, the crisis is causing the county to lose approximately **$12 million each month** in revenue, which is over 10 percent of the county's total monthly revenue.

Salt Lake County, Utah, is estimating that it will spend **$14 million over the course of 90 days.** The county estimates that the pandemic is costing them approximately $125,000 per day at the moment, and that this cost will escalate as COVID-19 runs its course. Currently, 70 percent of the county health department's workforce is dedicated to addressing COVID-19.

Travis County, Texas, is estimating an expenditure impact of over $13.5 million over the course of 18 months. On top of that expenditure increase, the county estimates that its revenue losses could amount to **$30 million to $45 million** during that same time period. Travis County spent $1.3 million during the first month of the crisis, and is estimating an ongoing monthly cost of $725,000, which will increase should the pandemic worsen. These costs do not include recovery, mitigation or future preparedness costs.

LOCAL HOSPITALS AND HEALTH DEPARTMENTS RUN UP COUNTY COSTS

Counties May Have Additional $30 Billion Expenditures Should COVID-19 Pandemic Last One Year



Source: NACo analysis of estimates given by 20 counties; NACo analysis of Census of Governments data, 2017

Even before the novel coronavirus pandemic began, counties invested in community health services and hospitals – nearly $100 billion each year. **Now, county budgets are being stretched thin as they work with nearly 1,000 county-supported hospitals and 1,900 local public health authorities to bring the pandemic to heel.**

A recent report estimated that the total cost for all hospitalized COVID-19 patients could range from $362 billon to nearly $1.45 trillion.[11]

The influx of patients to county-supported hospitals, along with the preparation for this influx, has been the most direct cost for counties. As of 2018, there were nearly 619,000 beds in hospitals across America's counties, but counties are working to expand the number of beds to accommodate COVID-19 patients and provide proper medical care.[12] Providing additional hospital beds, however, is not cheap. **Jefferson County (Ala.)** purchased 55 additional beds for $80,750.[13] **Nassau County (N.Y.)** spent $66,450 on 30 beds.[9] **Montgomery County, (Md.),** has been setting up tents outside of hospitals to expand capacity and ensure that its health system will not be easily overwhelmed.[14]

Medical supplies have been a significant cost for many counties, especially as shortages in these supplies cause the prices to rise. **Rutherford County, (Tenn.)**, purchased 10,000 N95 masks for first responders for $42,000.[15] **Orange County (Fla.)** is predicting that it will spend an additional...

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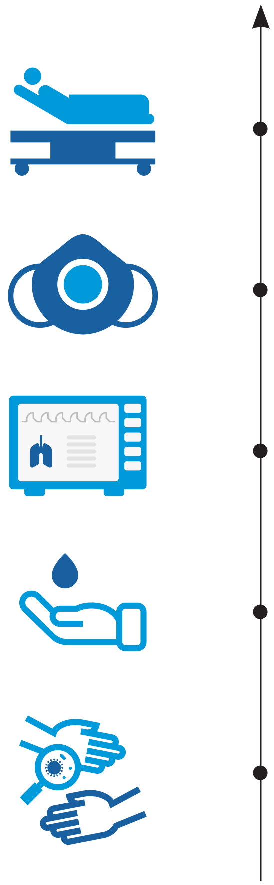
COST OF MEDICAL SUPPLIES FOR COUNTIES



Hospital Bed
$500 to $10,000

N95 Mask
$0.60 to $7.00

Ventilator
$5,000 to $50,000

Purell Hand Sanitizer
$30/dozen 8oz bottles

COVID-19 Test
$10 to $100, depending on type

Source: https://www.payingforseniorcare.com/financial-assistance/home-hospital-beds; https://www.healthleadersmedia.com/finance/nearly-one-fifth-providers-dealing-higher-medical-mask-prices; https://hcpresources.medtronic.com/blog/high-acuity-ventilator-cost-guide; https://www.usatoday.com/story/money/2020/03/11/amazon-price-gouging-report-coronavirus-face-masks/5007990002/; https://www.forbes.com/sites/williamhaseltine/2020/04/08/pricing-and-profiteering-from-covid-19-tests/#32ec5d651ccb

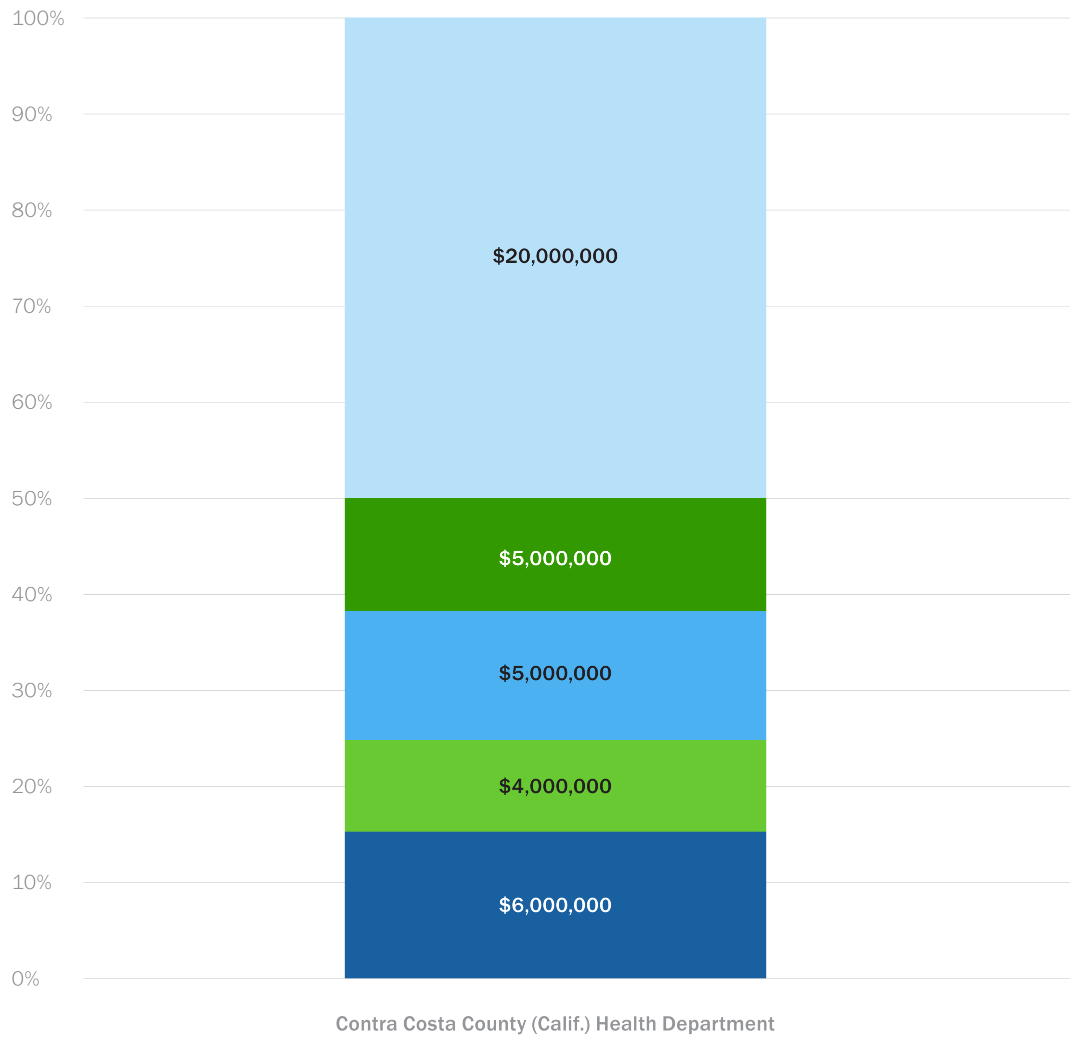
$8.2 million on its emergency operations center and $53.4 million on its health care agency by the end of 2020. **Harris County, (Texas),** spent $27.5 million to expand the capacity of its hospital district within the first month of the outbreak, and expects an ongoing cost of $7.7 million per month to continue operating with additional capacity. **Ramsey County (Minn.)** spent $750,000 on masks, sanitizer and other medical supplies within the first month of the outbreak.

Counties are finding additional costs associated with testing for COVID-19. In the first month, **Contra Costa County (Calif.)** spent $6 million on testing, alongside $10 million on medical equipment, services and supplies. With few resources to test residents, **Eagle County (Colo.)** has turned to an online form to track COVID-19 symptoms and to prioritize at risk residents.[16] Other counties, such as, **La Plata County (Colo.)** and **Victoria County (Texas),** have set up drive-thru testing facilities.

Additional staffing has become another significant expense for counties, including both hiring more emergency staff and paying for overtime hours for first responders and other county employees. In some cases, staffing is the largest expense. **Contra Costa County (Calif.)** estimated it paid an additional $5 million for increased staffing, **Ramsey County (Minn.)** estimated that the county had an additional $2 million cost for temporary emergency workers. Most of the $2 million that **Marathon County (Wis.)** spent within the first month on its response was on wages, benefits and contractual services.

BREAKDOWN OF COUNTY HEALTH AND EMERGENCY RESPONSE COSTS

Breakdown of Additional County Health Department Expenditures (March-May, 2020)



Contra Costa County, Calif. has estimated the crisis will have cost its health department alone **$46 million** through the month of May: $6 million for equipment, $6 million for testing, $4 million for services and supplies, $5 million for IT infrastructure, $5 million in increased staffing costs and $20 million in service interruption.

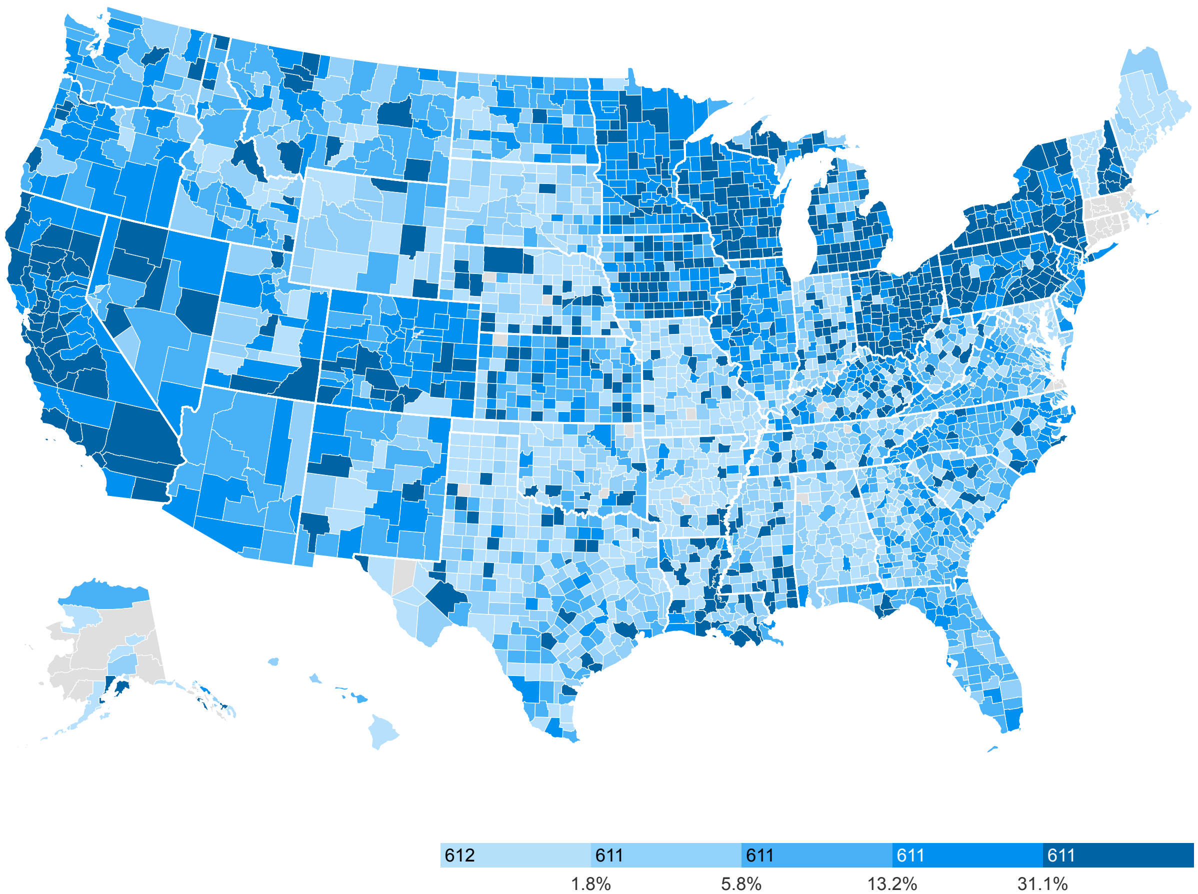
San Diego County, Calif. is incurring costs of around $7 million each month for its emergency response, which includes temporary housing assistance, sanitation and related costs. A significant portion of these costs are going toward temporary housing and hotels to assist individuals who need to be quarantined or isolated. The county predicted these costs could total over $86 million by the end of the fiscal year. These figures do not reflect anticipated lost revenues due to the economic shock of the pandemic.

KEY

- Service Interruption
- Increased Staffing
- IT Infrastructure
- Services and Supplies
- Equipment

COUNTIES RAMP UP SERVICES TO VULNERABLE RESIDENTS

Health and Human Services Percentage out of All Taxes



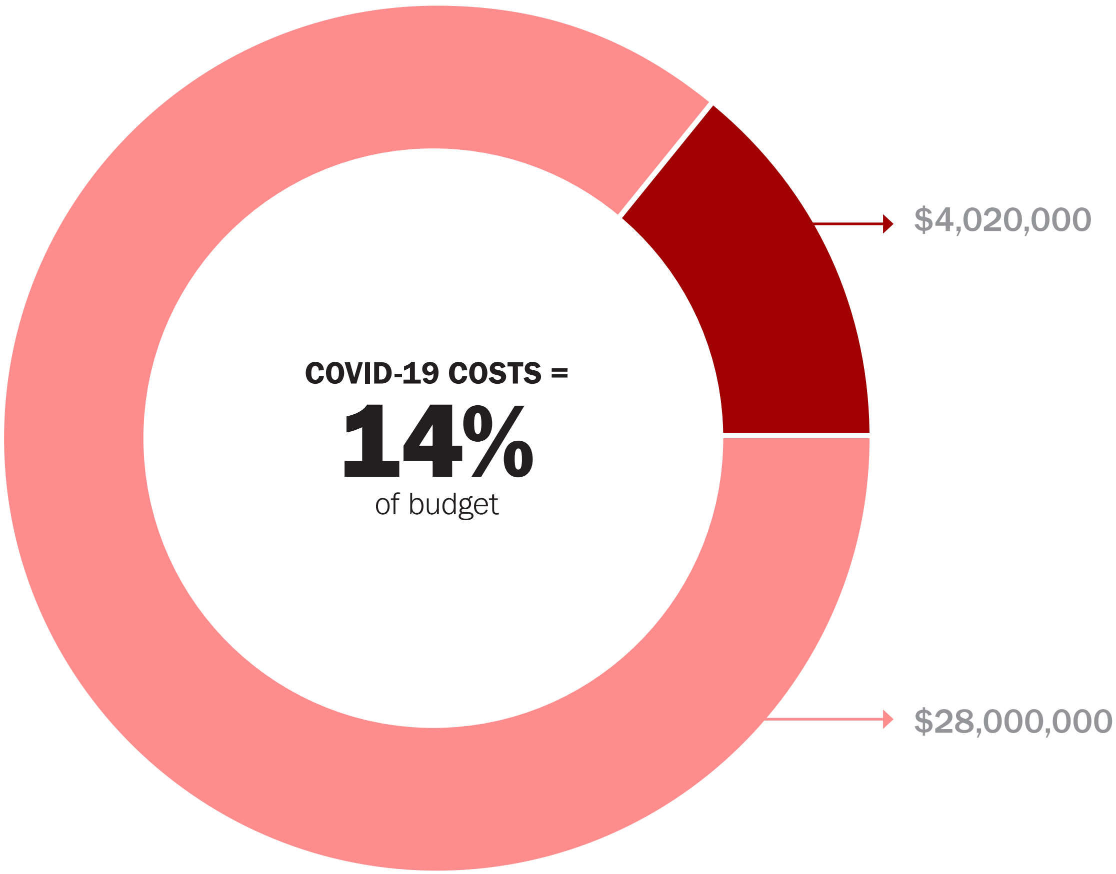
Despite the challenges counties are already facing to care for the sick and mitigate the spread of the virus, we are also working to ensure that the needs of our most vulnerable residents are met, while protecting them from the pandemic.

Counties are seeking to protect homeless residents from the pandemic by providing temporary housing, whether in hotel and motel rooms or in county facilities. **Ramsey County (Minn.)** spent $1.8 million on housing for unsheltered or homeless residents within the first month of the crisis. **San Diego County (Calif.)** estimated that the crisis could cost the county $86.4 million throughout FY20 and FY21– a large portion of which would be spent on housing and hotels for homeless residents and those needing to maintain a quarantine.

With most schools and senior centers closed down, counties are working to take care of children and senior residents by continuing to provide free and reduced meals, and even delivering these meals to families and residents without the means of transportation to pick them up. **Henderson County (N.C.)**, for example, has made meals available for pickup for children and is also delivering meals to families unable to pick them up. **Lewis County (Wash.)** and **Loudoun County (Va.)**, are delivering meals to senior residents if they are unable or unwilling to pick them up. **These additional services add to already exacerbated county costs, but counties are committed to overcoming these challenges to care for its residents.**

SMALL AND MEDIUM-SIZED COUNTY BUDGET SUFFER FROM LARGE EXPENDITURES

Roscommon County, Mich., Budget and COVID-19 Costs



KEY

Annual Budget

Additional Expenditures

Small, rural counties are known for having especially tight budgets, so the COVID-19 pandemic is hitting their finances particularly hard. **Roscommon County (Mich.),** a county of less than 24,000 residents with a budget of just over **$28 million,** estimated that it will incur an additional $335,000 of expenditures each month for closure costs, extra equipment and overtime. These costs translate to a loss of over 14 percent of the county's monthly budget and take away funding from other crucial county services.

Humboldt County, Nev., home to 17,079 residents, is projecting **$468,000/month** in new costs that include support to their county hospital, county emergency response, increased inmate medical, emergency day care for essential employees, additional supplies, IT costs for telework and staff costs. The estimate also includes monthly lost revenue of $118,000.

Marathon County, Wis., a medium-sized county with a population of roughly 135,000, estimated direct cost increases of nearly **$2 million,** including more than $1.4 million in wages and benefits and almost $600,000 in contractual services related to the county's response.

MAJOR OPERATIONAL ADJUSTMENTS LEAVE COUNTIES TO REWORK BUDGETS

Counties are shifting our operations and adjusting our budgets in response to the devastation COVID-19 is wreaking on our nation. **The unexpected increase in expenditures and loss in revenue has resulted in the need for counties to scale back our projects and services to focus on curbing the spread of the virus, but counties are adjusting to continue providing essential services to residents.**

Among many other changes, counties are transitioning employees to remote work when possible, adjusting service hours and operations and hiring additional emergency personnel. Counties are working to reduce jail populations, house the homeless and provide relief to small businesses and struggling families.

Nevertheless, counties do not have endless resources and so are needing to make sacrifices. **San Francisco City and County (Calif.)**, for example, is pausing all nonessential capital projects funded by the county.[17] **Onondaga County (N.Y.)** has had to furlough all hourly county employees – and many other counties have had to take similar actions.[18] **Montgomery County (Ohio)** cancelled all programs funded by its local sales tax.[19]

Some counties are already planning tax and fee increases to help recover the lost revenue post crisis. **Carroll County (Md.)** is seeking to implement a recycling disposal fee in 2021.[20] **Fairfax County (Va.)** is planning a 3 percent increase for its real estate tax, as well as a 4 percent admissions tax on movies, concerts and theaters, both starting in October 2020. And when **Liberty County (Mont.)** declared a state of emergency, the county looked to the future and included in the declaration a two-mill property tax increase in 2021 to help recovery efforts.[21]

According to a recent study, the nation's economic output (real GDP) will decline 5 percent each month during this partial economic shutdown, costing the U.S. economy $2.14 trillion in just two months.[22] County budgets are already feeling the effects, even as we try to grapple with decreasing revenue and rising costs to protect and care for residents. **In the midst of such a crisis, a strong federal-state-local partnership is of utmost importance to combat COVID-19 and save as many lives as possible.**

AT LEAST 27 COUNTIES HAVE ALREADY FURLOUGHED OR LAID OFF WORKERS

County	State	2017 County Employees	2017 County Budget	No. Employees Furloughed or Laid Off	Percent of Employees Furloughed or Laid Off
Broomfield City and County	Colo.	2,101	$168,000,000	235	11%
Monroe County	Fla.	2,272	$352,000,000	100	4%
McHenry County	Ill.	2,091	$162,000,000	48	2%
Johnson County	Kan.	8,172	$676,000,000	264	3%
Sedgwick County	Kan.	5,490	$394,000,000	150	3%
Alpena County	Mich.	2,861	$55,974,000	12	0.4%
Antrim County	Mich.	390	$45,172,000	10	3%
Crawford County	Mich.	299	$26,257,000	15	5%
Lenawee County	Mich.	1,069	$100,000,000	Unknown	.
Oceana County	Mich.	329	$39,043,000	10	3%
Sanilac County	Mich.	518	$56,312,000	Unknown	.
Wayne County	Mich.	7,147	$1,970,000,000	Unknown	.
Anoka County	Minn.	3,912	$283,000,000	91	2%
Yellowstone County	Mont.	1,080	$96,127,000	Unknown	
Clark County	Ohio	1,864	$134,000,000	56	3%
Cuyahoga County	Ohio	27,397	$2,440,000,000	Unknown	.
Hamilton County	Ohio	8,737	$1,010,000,000	Unknown	.
Summit County	Ohio	5,944	$518,000,000	339	6%
Berks County	Pa.	4,208	$548,000,000	219	5%
Carbon County	Pa.	683	$39,913,000	94	14%
Centre County	Pa.	1,012	$79,734,000	63	6%
Dauphin County	Pa.	3,111	$471,000,000	164	5%
Franklin County	Pa.	8,000*	$80,418,000	2,000	25%
Luzerne County	Pa.	2,576	$244,000,000	94	4%
Westmoreland County	Pa.	3,185	$287,000,000	500	16%
York County	Pa.	4,544	$527,000,000	277	6%
Bexar County	Texas	27,530	$2,390,000,000	270	1%

The rising costs of COVID-19 response, combined with other expenditure increases and revenue losses, have forced many counties to cut costs by furloughing or laying off workers. At least 27 counties covering a wide range of sizes have been forced to furlough or lay off county workers due to COVID-19 impacts on their budgets.

On average, these counties have furloughed about 6 percent of their total workforce, but this amount varies greatly. Franklin County (Pa.) has already furloughed 25 percent of its workforce – 2,000 out of about 8,000 employees. Broomfield City and County (Colo.), Carbon County (Pa.) and Westmoreland County (Pa.) have also furloughed over 10 percent.

These furloughs, however, do not include workers who have had their hours reduced, who have been forced to take unpaid leave or voluntary retirements.

Note: Counties labeled "Unknown" have furloughed or laid off employees, but have not announced the number, yet. An asterisk indicates a county estimate. Data updated as of April 15, 2020.

COUNTY LEADERS WORKING TO HELP FURLOUGHED OR UNEMPLOYED RESIDENTS

As able with very limited resources, many counties are working to care for newly furloughed or unemployed residents and their families:

- A number of county governments – including Giles County (Va.) – are promoting and selling dining and lodging gift certificates for local businesses. Most importantly, the gift certificates will generate revenue quickly for business owners to support their operations and cash flows through this very difficult time. The customer will receive 50% more in dollar amount than the purchase price through a county subsidy.

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- King County (Wash.) is providing free childcare to first responders and essential workers. The council approved $2.2 million to help give free healthcare to eligible families of first responders and other essential workers. The emergency fund will help keep childcare facilities running until the end of the pandemic.

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- In Hancock County (Ohio), Hancock County Job and Family Services are coordinating with local nonprofits to help unemployed residents access federal and state assistance programs.

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- Lee County, (Fla.) set up a recovery hotline for information on resources available to people out of work.

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- Yolo County, (Calif.) is aiding residents in applying for unemployment benefits and are helping them to connect to open jobs.

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- In Dallas County (Texas), the county's job finding agency, Workforce Solutions, is helping to connect residents to open jobs. Residents can use computers, phones and faxes of the county's office if needed. Additionally, the prior training requirements to be eligible for the SNAP program have been temporarily waived in order to help residents acquire food immediately.

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- Harris County (Texas) has recently expanded its partnership with Houston Food Bank, helping to purchase about 640,000 pounds of food each week and employing 180 workers – most of whom were laid off from the hospitality industry as a result of the county's stay at home order.

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For more information, contact NACo at Research@NACo.org.

ENDNOTES

1. *https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fcases-in-us.html*
2. NACo's estimate of additional expenditures was calculated using survey data from 30 counties reporting on the cost of COVID-19 in their counties. NACo's estimate of the loss of sales tax revenue, business license tax revenue and revenue from charges and fees assumes a 50-75% decrease in each of these revenue sources for the remainder of FY20, and a 25% reduction for FY21. The loss of income tax revenue is calculated using a 4.1% unemployment rate for Dec. 2017, as compared to a 4.4% rate for March 2020, 20% rate for April 2020, predicted 30% rate for May 2020, predicted 10% rate for the remainder of 2020, and predicted 6-10% for 2021. County revenue and expenditure data comes from NACo's analysis of U.S. Census Bureau - Census of Individual Governments: Finance. 2017 numbers were adjusted to reflect inflation rates for 2018 and 2019.
3. These states include: Colorado, Illinois, Indiana, Kansas, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, South Dakota, Vermont, Washington, Wisconsin and the District of Columbia
4. *https://www.nbcbayarea.com/investigations/consumer/property-taxes-most-counties-sticking-to-april-10-due-date/2268520/*
5. *https://www.zillow.com/research/pandemic-literature-review-26643/*
6. *https://taxfoundation.org/2020-sales-taxes/*
7. *https://www.census.gov/govs/www/class_ch7_current.html*
8. *FAIR Health, "The Projected Economic Impact of the COVID-19 Pandemic on the US Healthcare System," March 25, 2020, https://s3.amazonaws.com/media2.fairhealth.org/brief/asset/COVID-19%20-%20The%20Projected%20Economic%20Impact%20of%20the%20COVID-19%20Pandemic%20on%20the%20US%20Healthcare%20System.pdf (April 10, 2020).*
9. NACo Analysis of Centers for Medicare & Medicaid Services 2016, 2017 cost report.
10. *https://abc3340.com/news/coronavirus/covid-19-in-alabama-news-summary-tuesday-march-31-2020*
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19. *https://co.liberty.mt.us/public-notices/*
20. *https://www.mercatus.org/publications/covid-19-policy-brief-series/cost-covid-19-rough-estimate-2020-us-gdp-impact*


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