

**FACE COVERINGS
REQUIRED**



IN PUBLIC SPACES

COVID-19 Impacts on Local Governments

SUMMARY OF SURVEY RESULTS

September 2020

ICMA conducted this survey in July of 2020 to track how local governments have responded to budget, operations, and other challenges posed by COVID-19. The survey was distributed by email to 3,289 ICMA member chief administrative officers and 616 responded. Responses include local governments with populations ranging from less than 2,500 to over one million.

Key Findings

CARES Act

- Just one-third of responding local governments had received any CARES Act funds as of late July. Most local governments were waiting for their state (29 percent) or county (25 percent) to distribute its allocation.
- There were indications of bottlenecks at the county level in some states, including Kansas, Florida, North Carolina, Indiana, and Pennsylvania. In Oklahoma, Michigan, Georgia, Wisconsin, and California, local governments were awaiting state direction, usually from their Governor.
- Of those that had received CARES Act funds, resources most often targeted for public health expenses (76 percent), compliance with COVID-19 public health measures (72 percent), and payroll expenses for key public personnel (71 percent).

Personnel Actions Taken

- Hiring freezes were put in place by 52 percent of all local governments, the most common personnel action taken to mitigate budgeting challenges for the current fiscal year. Hiring freezes were most widespread for general staff; about a third froze hiring for senior directors and/or executive positions.
- Furloughs were reported by 19 percent of local governments; 12 percent reported layoffs.
- Police and fire employees faced fewer cost-cutting personnel actions than other staff.
- Future personnel actions were unclear. About half of all respondents were not contemplating additional personnel actions at the time of response. The rest are, or are not sure whether additional actions will be needed.

Revenue Projections

- Eighty-four percent of local governments projected a decrease in revenue for their first budget adopted since the declaration of the pandemic. Forty-five percent projected up to a 10 percent decline in overall revenue. Nearly a third projected revenue losses between 11-20 percent, and 10 percent projected losses of more than 20 percent relative to the previous year.
- States with a significant number of respondents reporting the biggest losses included Arizona, California, Colorado, Georgia, Illinois, New Jersey, and Washington.
- The most common fiscal year among survey respondents is July-June, reported by just under half of respondents. The balance of local governments generally begin their first post-pandemic fiscal year in either October 2020 or January 2021.

Capital Improvements

- Thus far, few local governments have cancelled capital improvement projects due to the COVID-19 crisis. However, about half have delayed improvements in public recreation spaces or in government facilities (other than public safety facilities). Forty percent have delayed improvements to road or sidewalk infrastructure.

Racial Equity Lens

- A third of local governments reported using local data disaggregated by race and ethnicity on monitoring impacts of the COVID-19 pandemic. Most of these 200+ local governments are looking specifically at health statistics; 39 percent are tracking employment statistics.
- Only 5 percent of local governments are using racial equity tools or impact assessments in making decisions about the allocation of resources.

Operational Changes

- Nearly all (94 percent) local governments pivoted to virtual-only public business meetings, and a majority expects to continue this strategy in some form over the next year. The pandemic also prompted a majority of local governments to adopt staggered schedules (74 percent), increase information sharing via social media (70 percent), implement remote permitting processes (64 percent), implement broad telework policies (61 percent), and to increase virtual community engagement opportunities outside of official business meetings (56 percent).
- Across all the operational adaptations covered on the survey, most local governments employing them expect their changes to remain in some form over the next year. Generally, they anticipate eventually settling on a hybrid of pre- and post-pandemic practices. But the increased use of social media is likely to sustain, whereas temperature checks and staggered schedules may be first changes on the chopping block once feasible.

Survey Results

Which of the following best describes your local government's situation with respect to CARES Act funding for local governments? (n=615)

	%
We have received funding	33.3%
We are waiting for our county to disburse its allocation	25.2%
We are waiting for our state to disburse its allocation	29.6%
We don't anticipate receiving any relief	9.1%
Not sure	2.8%

If you have received funding, how have you primarily used those resources? Please check all that apply. (n=201)

	%
Public health expenses, e.g., PPE and supplies, disinfection of facilities, technical assistance or consulting	75.6%
Compliance with COVID-19 public health measures, e.g., telework support for employees, paid sick/family medical leave for public employees, distance learning technologies or process improvements	72.1%
Payroll expenses for key public personnel, e.g., public works, public health, public safety	70.7%
Economic support, e.g., support to local businesses, other payroll support	45.8%
Support to vulnerable populations, e.g., food delivery, care of homeless populations, sanitation/safety measures for incarceration facilities, other social and community measures	35.3%
Medical expenses, e.g., testing, treatment, existing or temporary facilities	24.4%

When did your local government's current fiscal year start? (n = 588)

	2019	2020
January	0.2%	30.8%
February	0.0%	0.0%
March	0.0%	0.5%
April	0.0%	0.9%
May	0.0%	2.4%
June	0.0%	0.5%
July	0.2%	46.9%
August	0.0%	0.0%
September	0.2%	0.2%
October	15.3%	1.5%
November	0.5%	0.0%
December	0.0%	0.0%

When does your local government's current fiscal year end? (n=593)

	2020	2021	2022
January	0.2%	0.0%	0.0%
February	0.0%	0.3%	0.0%
March	0.0%	0.8%	0.0%
April	0.0%	2.4%	0.0%
May	0.2%	0.2%	0.0%
June	1.3%	45.5%	0.2%
July	0.0%	0.7%	0.0%
August	0.0%	0.0%	0.0%
September	16.2%	0.5%	0.0%
October	0.7%	0.0%	0.0%
November	0.0%	0.0%	0.0%
December	30.5%	0.3%	0.0%

Within your current fiscal year, which of the following personnel actions have you taken to mitigate budgeting challenges that have occurred as a result of COVID-19 impacts? Check all that apply. (n=593)

	Senior executives (CAO, assistant/deputies)	Senior department staff (directors, assistant directors)	Other department staff	Police and fire	Any, overall
Hiring freeze	34.4%	36.8%	49.2%	23.1%	51.9%
Consolidation of responsibilities/functions	12.8%	17.9%	24.6%	7.4%	28.2%
Elimination of unfilled positions	7.4%	11.3%	25.5%	10.3%	27.2%
Salary freezes	24.3%	22.8%	22.3%	17.0%	26.0%
Furloughs	2.9%	4.4%	18.0%	2.0%	18.5%
Layoffs	0.8%	2.4%	11.0%	1.3%	11.5%
Early retirement incentives/packages	2.7%	4.4%	4.9%	2.9%	5.2%
Temporary pay cuts	3.5%	2.4%	2.0%	0.7%	4.0%
Reductions in benefit contributions	2.0%	1.5%	1.3%	1.2%	2.0%

Beyond anything you have already implemented, are you contemplating additional personnel actions to reduce costs? (n=592)

	%
Yes	26.2%
No	47.8%
Not sure	26.0%

Thus far, how has the COVID-19 crisis impacted your plans for the following types of capital improvements?

	Cancelled	Delayed	Accelerated	No change
Public recreation spaces - e.g. parks, trails, plazas (n=555)	8.8%	51.0%	2.0%	38.2%
Other government facilities (n=559)	8.4%	46.3%	3.9%	41.3%
Roads, sidewalks (n=558)	4.7%	39.8%	3.9%	51.6%
Public safety facilities/equipment (n=543)	3.9%	33.0%	7.9%	55.3%
Water/sewer (n=513)	1.2%	24.0%	2.5%	72.3%
Hazard mitigation projects - e.g., levees, sea walls (n=444)	2.5%	16.4%	2.0%	79.1%
Transit (n=390)	3.3%	15.1%	1.8%	79.7%

For the first budget you have adopted or will adopt since March 2020 (i.e., the declaration of the pandemic), how did/will your overall revenue projection change relative to the previous year? (n=585)

	%
More than 20% lower than previous year	10.1%
11-20% lower than previous year	29.2%
Up to 10% lower than previous year	44.6%
No change	10.8%
Up to 10% higher than previous year	4.8%
Over 10% higher than previous year	0.5%

Is your local government using any of the following types of local data disaggregated by race and ethnicity in monitoring impacts of the COVID-19 pandemic? Check all that apply. (n=217)

	%
Health statistics - e.g., infection rates, hospitalizations, deaths	86.5%
Employment statistics	39.1%
Other	5.7%

Does your local government currently use any racial equity tools or impact assessments in making decisions about allocation of resources? (n=534)

	%
Yes	5.4%
No	89.7%
Not sure	4.9%

Did the pandemic increase/accelerate your adoption of any of the following strategies? Check all that apply. (n=580)

	%
Virtual-only public meetings (council or other official business meetings)	93.5%
Staggered schedules	73.6%
Information sharing through social media	70.2%
Remote permitting processes	64.1%
Temperature checks for employees	62.1%
Broad telework policies	61.4%
Virtual community engagement (e.g., tele-town hall, other opportunities to collect feedback outside official business meetings)	55.5%
Remote site plan review	50.3%
Other services provided/dispatched remotely (e.g., 311)	19.7%

For any of the following strategies you are employing, how do you foresee your use changing over the next year?

	Expect we'll continue as is	Expect we'll adopt a hybrid or compromise between pre-/post-pandemic practices	Expect to revert 100% back to pre-pandemic practices once feasible
Virtual-only public meetings (council or other official business meetings) (n=539)	11.0%	56.0%	28.8%
Staggered schedules (n=418)	11.7%	44.3%	36.8%
Information sharing through social media (n=404)	61.4%	32.7%	4.0%
Remote permitting processes (n=364)	33.8%	55.8%	8.5%
Temperature checks for employees (n=357)	22.4%	23.5%	44.0%
Broad telework policies (n=354)	19.8%	57.9%	18.9%
Virtual community engagement (e.g., tele-town hall, other opportunities to collect feedback outside official business meetings) (n=319)	16.3%	70.2%	9.4%
Remote site plan review (n=287)	28.9%	58.5%	9.8%
Other services provided/dispatched remotely (e.g., 311) (n=110)	23.6%	54.6%	14.6%