

NASCA



**National Association of
State Chief Administrators**

COVID-19 Government Operations National Briefing

Updated: 3/30/2020



COVID-19 Impact on Government Operations

- This presentation summarizes trends CAOs face regarding government operations during the response to COVID-19.
- This is not an exhaustive list.
- *Trends are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.*

COVID-19 Impact on Government Operations

Some State Have Taken the Following Steps: **Financial**

- Shifting focus from health crisis to financial crisis
 - Work with federal partner to understand State & Local Stimulus, \$150 Billion
 - Each state to receive at least \$1.25 billion, with more populous states receiving more funding
 - Burden correlated to tax source
 - Reliance on personal-income (31 of 41 that impose tax)
 - State with reliance on sales tax (15 states)
 - State with heavy reliance on severance tax (9 states)
- [\(Source: Pew Mix of Tax Source by State\)](#)
- Starting to see hiring freezes, discretionary spending freezes, general fund holdback (1%), using reserve funds, suspended capital projects

COVID-19 Impact on Government Operations

For perspective, strategies used for managing budgets, fiscal 2019

- Eliminating vacant positions/ freeze (8 states)
- Reorganize agencies (4 states)
- Across the board cuts (2 states)
- Targeted cuts (6 states)
- Layoffs (0 states)
- Salary reductions (0 states)
- Cuts to state employee benefits (0 states)

Source: [*NASBO's fiscal survey of the states \(FY19\)*](#)

COVID-19 Impact on Government Operations

Some State Have Taken the Following Steps: **State Workforce**

- Temporary telework (Many states with 50-60% goal, range: 10%-75%)
- Hold harmless policies for absenteeism
- Statewide travel restrictions (30 states)
- Flexible sick leave policy
- Increased hiring (sanitation workers, call centers), hiring freeze
- Pivot or repurpose employees that can not complete their job
 - Increased trainings & learning platforms
 - Using the idle time to mandate training, create certification programs
- Increased telehealth benefits for state employees
- Instituted Mental Health Resources
- Employee Financial Assistance Program

COVID-19 Impact on Government Operations

Some State Have Taken the Following Steps : **Procurement**

- Exceptions from competitive solicitation laws and policies: 23 states
(Source: [NASPO](#))
- Specific items states are having a hard time procuring
 - Cooperatives are great tools, but hearing cooperative vendor may not have the supplies
- Flexible payment terms (pre-payment checklist)
- Blanket purchase authority to purchase PPE
- Challenge: Government price gouging
- Challenge: Sign-off specifications delay process, adding a medical professional to procurement team for immediate sign-offs

COVID-19 Impact on Government Operations

Some State Have Taken the Following Steps: **Facilities**

- Restricted or closed Capitol Campus activities
- Restricted or closed state-owned government buildings
 - *Avg State: 2,200 owned of leased buildings* ([Source: NASCA-McKinsey](#))
- Preparing to use state facility as a quarantine/ isolation & visitation zone
 - Sites included convention centers, fairgrounds, state parks, hotels
 - State are retrofitting for medical facilities, quarantine site for the homeless
 - Analyzing risk & insurance involved in using a non-state-owned facility (ex: hotel)

COVID-19 Impact on Government Operations

Some State Have Taken the Following Steps : **Technology**

- Variety of capability by state, by agency
- Citizen facing portals surge (HHS & Unemployment)
- Increased VPNs and remote access systems
- Preparing for cybersecurity increased risk
- Moving to IT centralization
- Range of responses. Examples of response includes:
 - States conducting survey of use your own device
 - Mass purchases of laptops & cloud capability
 - Essential staff only for two-weeks until policies can be implemented

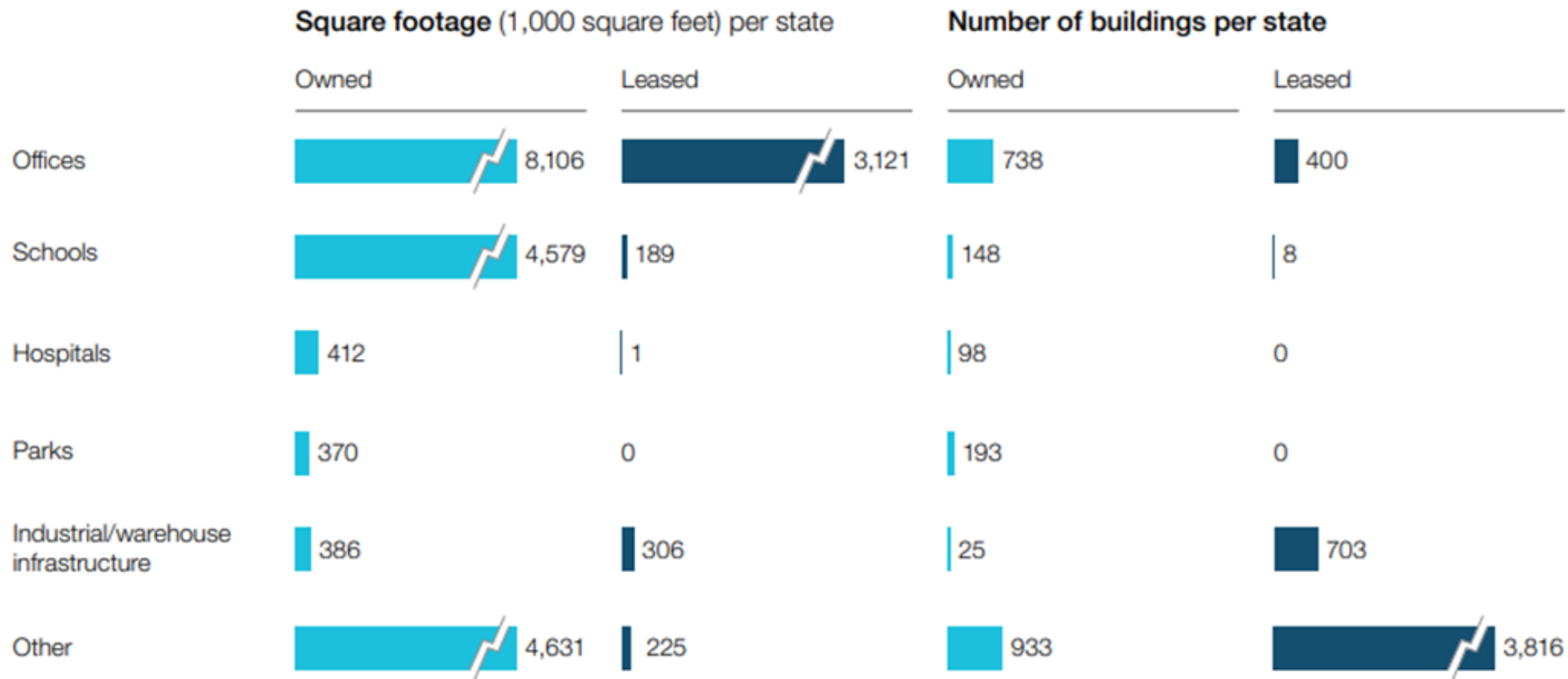
COVID-19 Impact on Government Operations

Some State Have Taken the Following Steps : Other

- Oversee donated items process, some states using the asset management team
- Postpone, cancel, or virtual options for Boards and Commissions, guidance from State's AG
- Continued Census Communications
- Local & county governments taking harsher restrictions than state restrictions/ As of 3/27/20 that was 15 states. ([Source: New York Times](#)).
 - Differing response for urban vs rural capitols
 - Mayor vs. Governors
 - States lack powers to close airports, federal responsibility

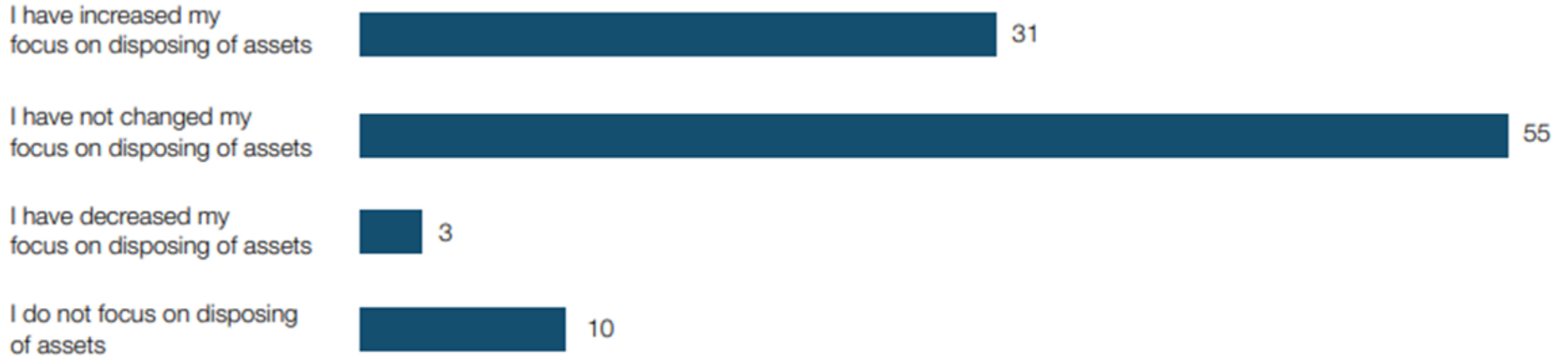
The average state is responsible for 2,200 state-owned and leased buildings, 15 million total square feet

Averages, n = 27



One-third of states had increased their focus on disposing assets, As of Sept 2019

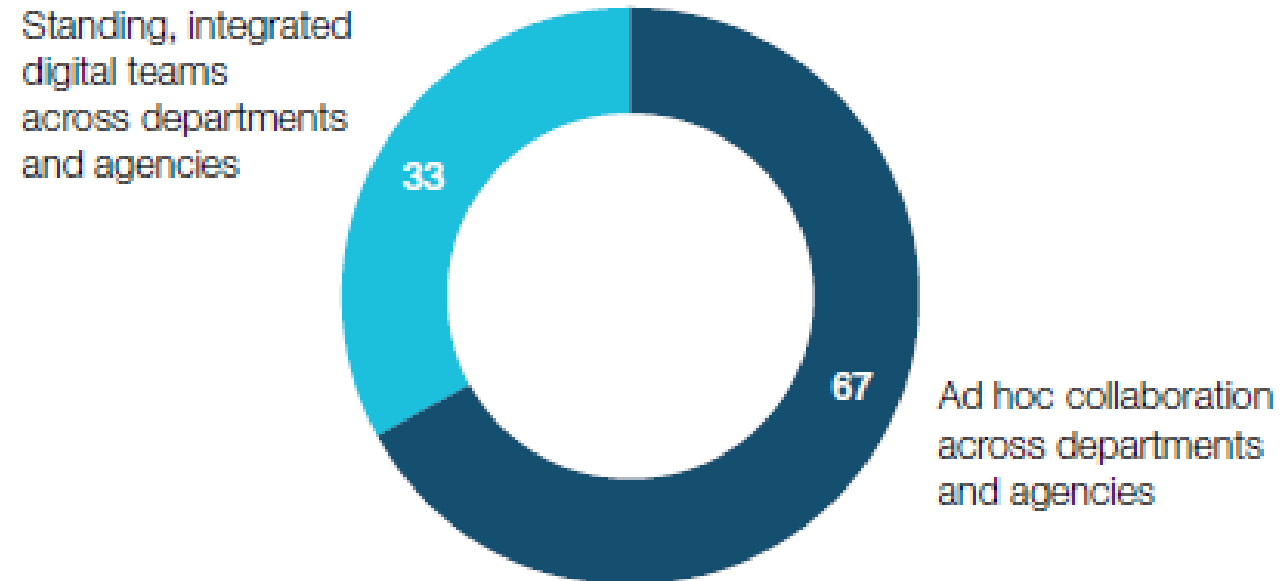
% of survey respondents, n = 14



Note: Figures do not sum to 100, because of rounding.

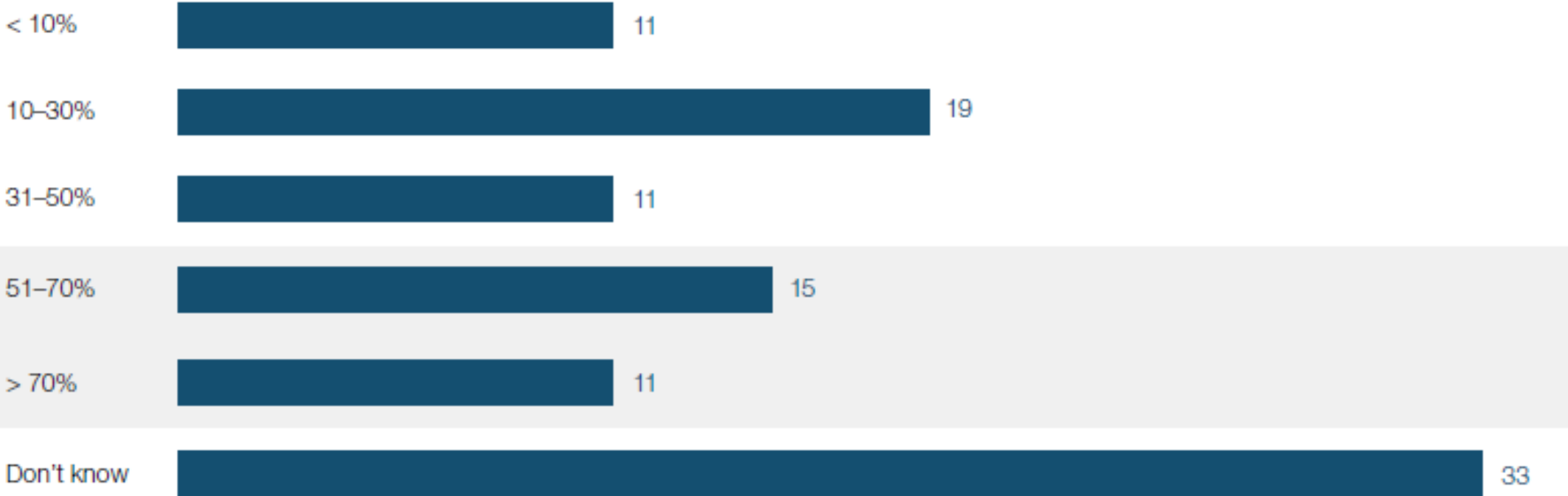
One- third of states had formal mechanism in place for digital collaboration across agencies, as of Sept 2019

% of respondents, n = 27



It was common for digital procurements to require additional time, funding, or change orders, as of Sept 2019

Share of digital procurements with additional requirements, % of respondents, n = 27



Digital tools were used more often for resident-facing transactions processing than administrative processes, as of Sept 2019

% of respondents, n = 27

Amount of digital tool usage: ■ > 50% ■ 25–50% ■ 5–24% ■ < 5%



There was wide variation in risk management processes, including how states delegate risk ownership and manage risk evaluation, as of Sept 2019

Size of circle represents % in each archetype

