

# NASCA



**National Association of  
State Chief Administrators**

## **COVID-19 Implications on State Government Operations**

**National Briefing**

*Updated: 4/27/2020.*



# 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.*

# Healthy At Home/ Stay at Home Orders Expiration, sorted by end date.

## 20 States

State	Ending Date Stay Home	Business Restrictions Begin Eased
Alabama	4/30/2020	
Arizona	4/30/2020	
Florida	4/30/2020	
Georgia	4/30/2020	4/24/2020
Hawaii	4/30/2020	
Idaho	4/30/2020	5/1/2020
Illinois	4/30/2020	5/1/2020
Louisiana	4/30/2020	
Maine	4/30/2020	TBD
Nevada	4/30/2020	
Tennessee	4/30/2020	4/27/2020
Texas	4/30/2020	4/24/2020
Indiana	5/1/2020	4/27/2020
Ohio	5/1/2020	5/1/2020
Kansas	5/3/2020	
Missouri	5/3/2020	
Massachusetts	5/4/2020	
Minnesota	5/4/2020	4/27/2020
New Hampshire	5/4/2020	TBD
Washington	5/4/2020	

Source: Washington Post, April, 23 2020. Sorted by end date.  
<https://www.washingtonpost.com/health/2020/04/06/coronavirus-stay-at-home-by-state/>  
 Notes: Colorado transitioned to "safer at home".

## 11 States

State	Ending Date Stay Home	Business Restrictions Begin Eased
North Carolina	5/8/2020	
Pennsylvania	5/8/2020	
Rhode Island	5/8/2020	
Delaware	5/15/2020	
Michigan	5/15/2020	
New Mexico	5/15/2020	
New York	5/15/2020	
Vermont	5/15/2020	4/27/2020
Connecticut	5/20/2020	
Wisconsin	5/26/2020	TBD
Virginia	6/10/2020	5/8/2020

## 7 States

State	Ending Date Stay Home	Business Restrictions Begin Eased
California	TBD	
Kentucky	TBD	4/27/2020
Maryland	TBD	
New Jersey	TBD	
Oregon	TBD	
South Carolina	TBD	4/20/2020
West Virginia	TBD	

## 8 States

State	Ending Date Stay Home	Business Restrictions Begin Eased
Arkansas	NA	5/4/2020
Iowa	NA	
Nebraska	NA	
North Dakota	NA	4/30/2020*
Oklahoma	NA	4/24/2020
South Dakota	NA	
Utah	NA	5/1/2020*
Wyoming	NA	

## 4 States

State	Ending Date Stay Home	Business Restrictions Begin Eased
Alaska	4/21/2020	4/24/2020
Montana	4/24/2020	4/27/2020
Colorado*	4/26/2020	5/1/2020
Mississippi	4/27/2020	4/27/2020

Before April 30

April 30- May 4

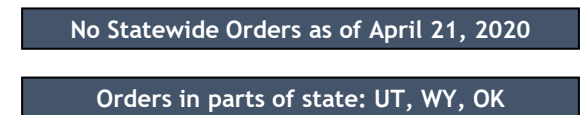
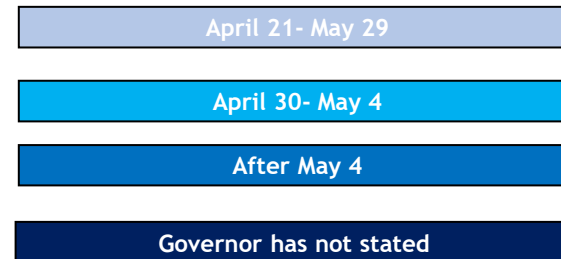
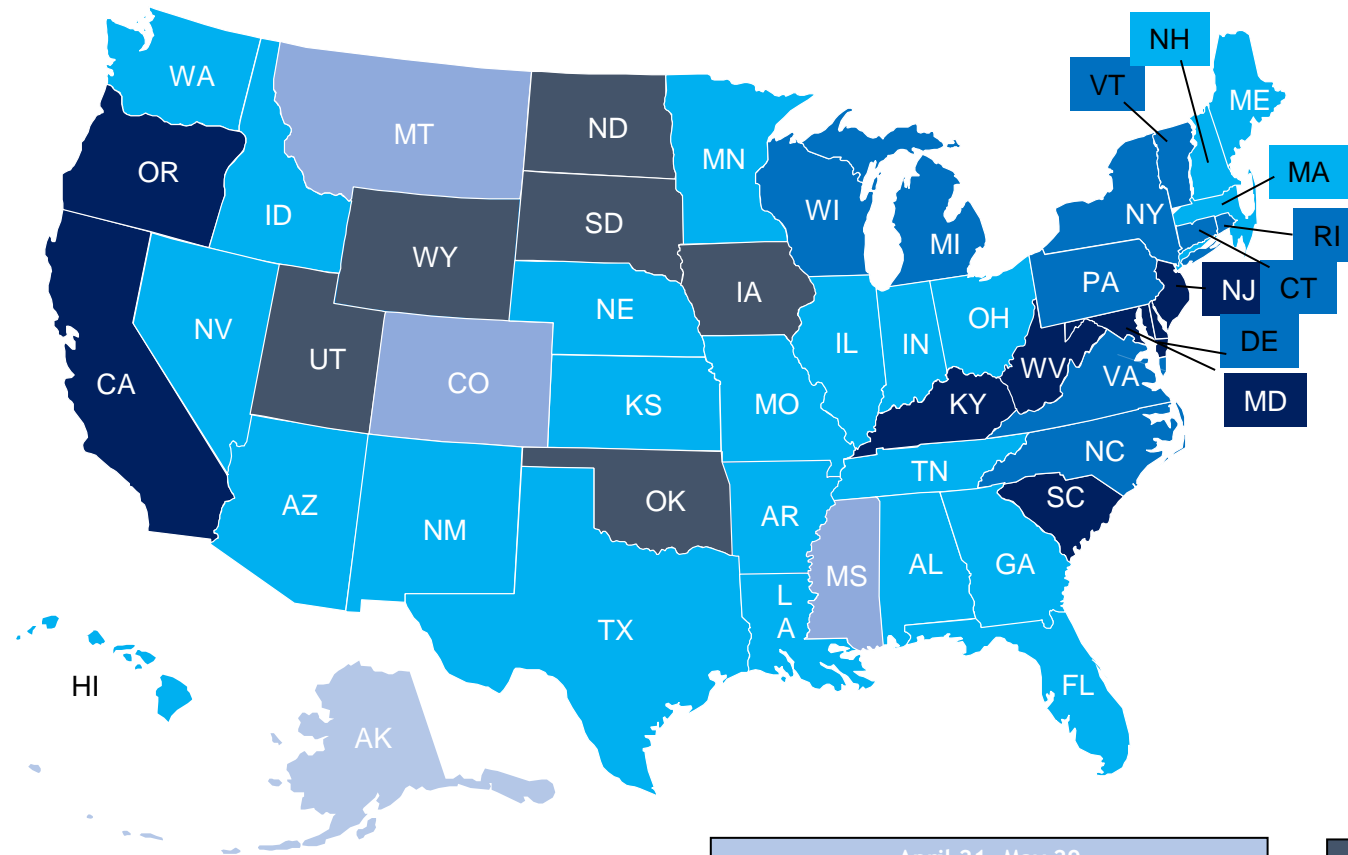
After May 4

No End Date Stated

No statewide orders

# Healthy At Home/ Stay at Home Orders Expiration

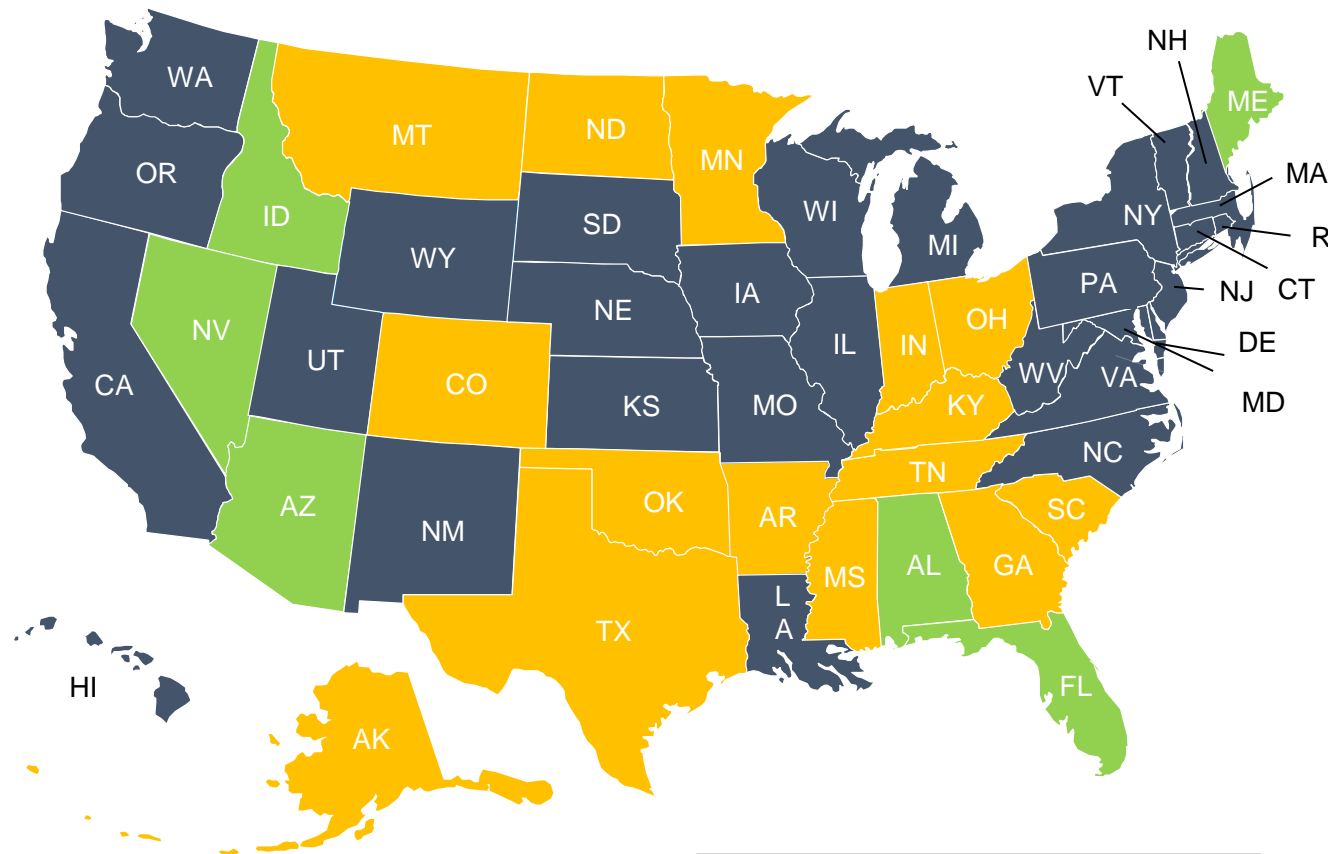
**WEST AND EAST COAST HAVE LONGER EXPIRATION DATES, WITH 7 GOVERNOR'S NOT ANNOUNCING DATES**



Source: Washington Post, April, 23 2020.  
<https://www.washingtonpost.com/health/2020/04/06/coronavirus-stay-at-home-by-state/>

# States Easing Business Restrictions With a Date Announced between 4/27 and 5/8

**WEST AND EAST COAST GOVERNOR'S NOT ANNOUNCED DATES FOR PHASE I.**



Phase I date stated. Easing of any restrictions with dates between 4/27 and 5/8 = 16

Stay at Home Orders Expiring April 30

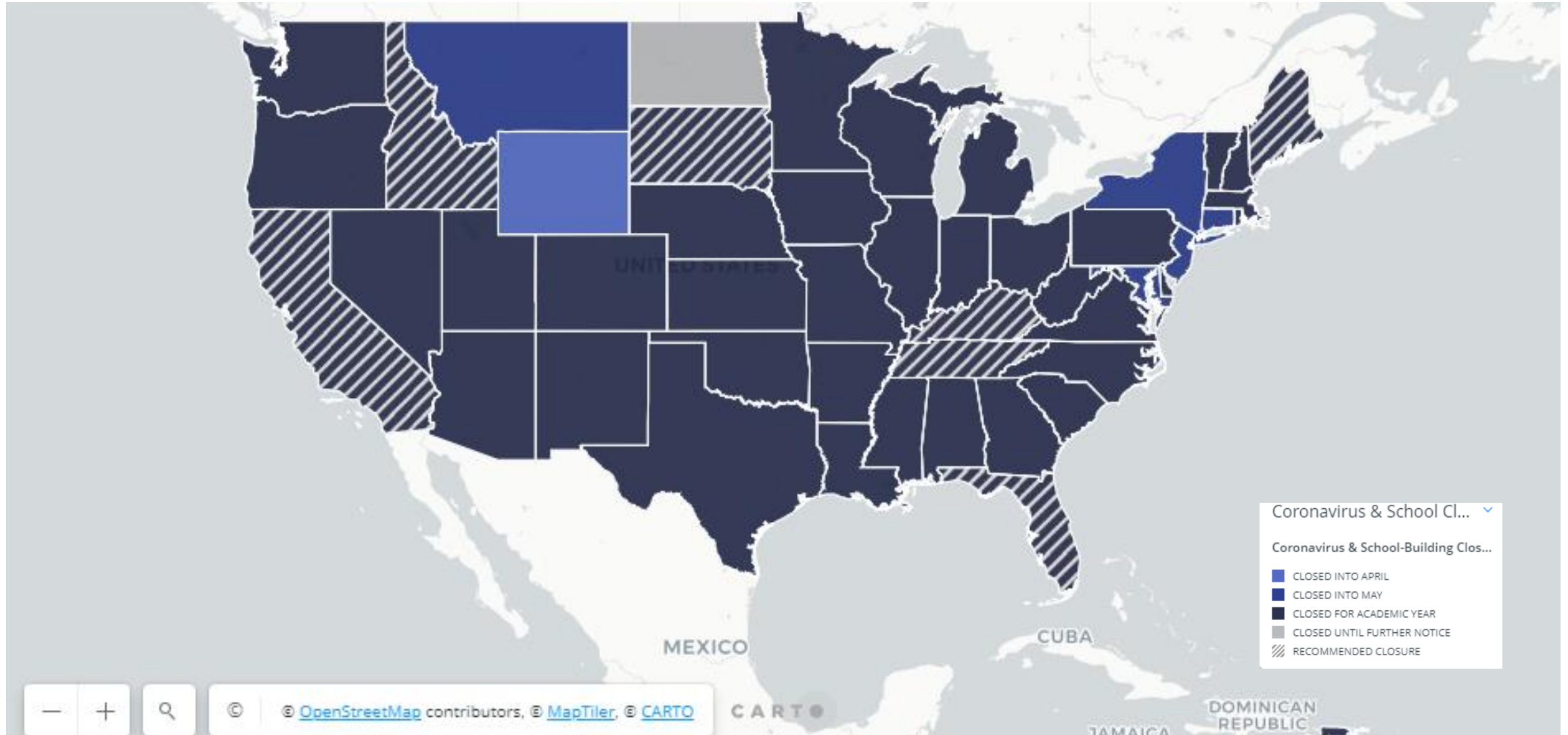
## Non-essential Business Restrictions being eased

- Routine Medical
- Retail (min 20% capacity)
- Nail & hair salons
- Agricultural & industrial
- Pet groomers
- Churches
- Dine-in reservations (at least 20% capacity)

NOTES:  
New York partial reopening in upstate New York in Mid-May. No date announced for NYC.  
PA will reopen by region. Color coded, starting in northwest.  
IL partial reopening of parks on May 1.  
MI partially reopening of nursery, bike shops, repair businesses.  
VA stated May 8<sup>th</sup> is the earliest Phase I will begin.  
VT to allow appraisers, attorney, and low-contact businesses.

Source: See Which States Are Reopening and Which Are Still Shut Down, New York Times. April, 27 2020  
<https://www.nytimes.com/interactive/2020/us/states-reopen-map-coronavirus.html>

# School Closed Through Academic Year (43 States). States closed until a date: NY, NJ, CT, MD, MT, WY, ND



# Reopening of State Government Operations & The New Normal

## Some States Have Taken the Following Steps: **DRAFT**

### Physical Space (place & products):

- Sanitation
- Social Distancing
- Counters & Common Areas
- Reducing & Optimizing Space & cost

### Workforce (people):

- Phased approach to which employees return to physical office space
- Remain telework where possible
- Special accommodations for employees with disabilities

### Process, Policy & Tools:

- Temperature checks
- Productivity metrics & evaluations
- Redefining processes & job functions long-term. Reducing & optimizing processes.
- Redefining “counters & citizen services,” eliminating paper-based functions – keeping these citizen-centric, accessible processes long-term
- Technology improvements- digital strategies, e-signatures, shortening processes

### Financial

# White Board: Physical Space (place & products):

**Agencies Involved:** Facilities, Maintenance & Grounds, Asset Management, Risk Management

## **Modifying the physical space for Phase 1-4:**

- Sanitation: Some states buildings remained opened and custodial remained maintained
- Tiered by agency and tiered by job functions- Priority agencies coming back to the office (DMV, Unemployment Office, Health and Human Services)
- DMV & Unemployment Office a high priority
- Administrative & support office will be a lower priority to return to the office
- Moving desk & furniture for social distancing

## **Products, Assets, Equipment:**

- PPE: additional PPE for staff and members of public that walk in for services. Balancing act for how to distribute to the tiers to receive PPEs.

## **At Home Space:**

- Consider Ergonomics of space at home and send tips
- Consider at home internet and aide employees in rural areas. Consider tiered approached for State supplied hotspot, and other equipment (fax, scan, telephone)

## **Modifying Space Long-term:**

- More shared space in the future. Consolidate leased space.
- Better space utilization



# COVID-19 Impact on Government Operations

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

- Shifted focus from health response to financial implications
- Variance by states, some not projecting major budget implications. Larger implications to FY21 budget
  - Made Supplemental Appropriations : 22 states ([Source NCSL, April 21](#))
  - Rainy Day Fund Transfers : 14 states ( [Source NCSL, April 21](#))
  - No appropriations or RDF: 23 states ([Source NCSL](#))
  - Revised Revenue Projections: ([Source NCSL](#))
  - Some states have implemented: hiring freezes, discretionary spending freezes, general fund holdback (1%), using reserve funds, suspended capital projects
  - Some states asked agencies to model 2, 5, 7.5, 10, 15%, 20% cuts

Additional Resource: State revenue forecasts before covid-19 and directions forward ([Urban Institute](#))

*Last Updated 4/21/20;*

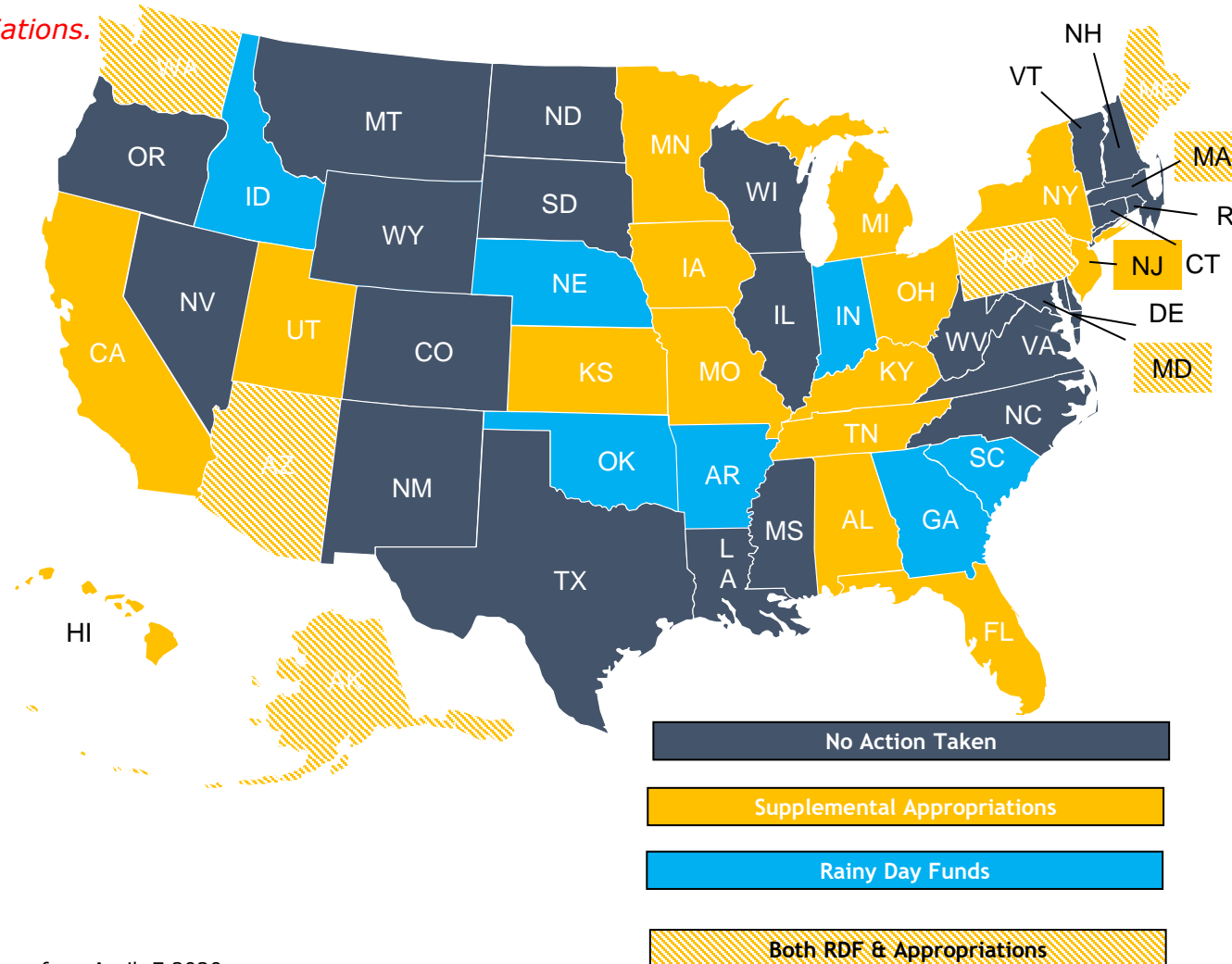
*Notes: Includes pending appropriations.*

*Some states not in session.*

# Appropriations or RDF Transfers

Last Updated 4/21/20;

Notes: Includes pending appropriations.  
Some states not in session.



## Used Both Supplemental Appropriations & RDF

- AK
- AZ
- MA
- MD
- ME
- PA
- WA

## Rainy Day and Reserve Fund Transfers (millions) as of 4/27

- AK \$173 (A)
- AZ \$55 (A)
- AR \$173.6 (C)
- GA \$100 (B)
- OK \$302, \$201 (A)
- SC \$200, \$45 (B)
- ME \$11 (B)
- MD \$150 (C)
- NE \$83.6 (C)
- WA \$175, \$100 (A)

ID- gave authority if necessary  
PA- Game Taxes to Small Business First Funds

(A) Is Volker Alliance RDF Score

Source: NCSL Rainy Day and Reserve Fund Transfers, April, 7 2020.

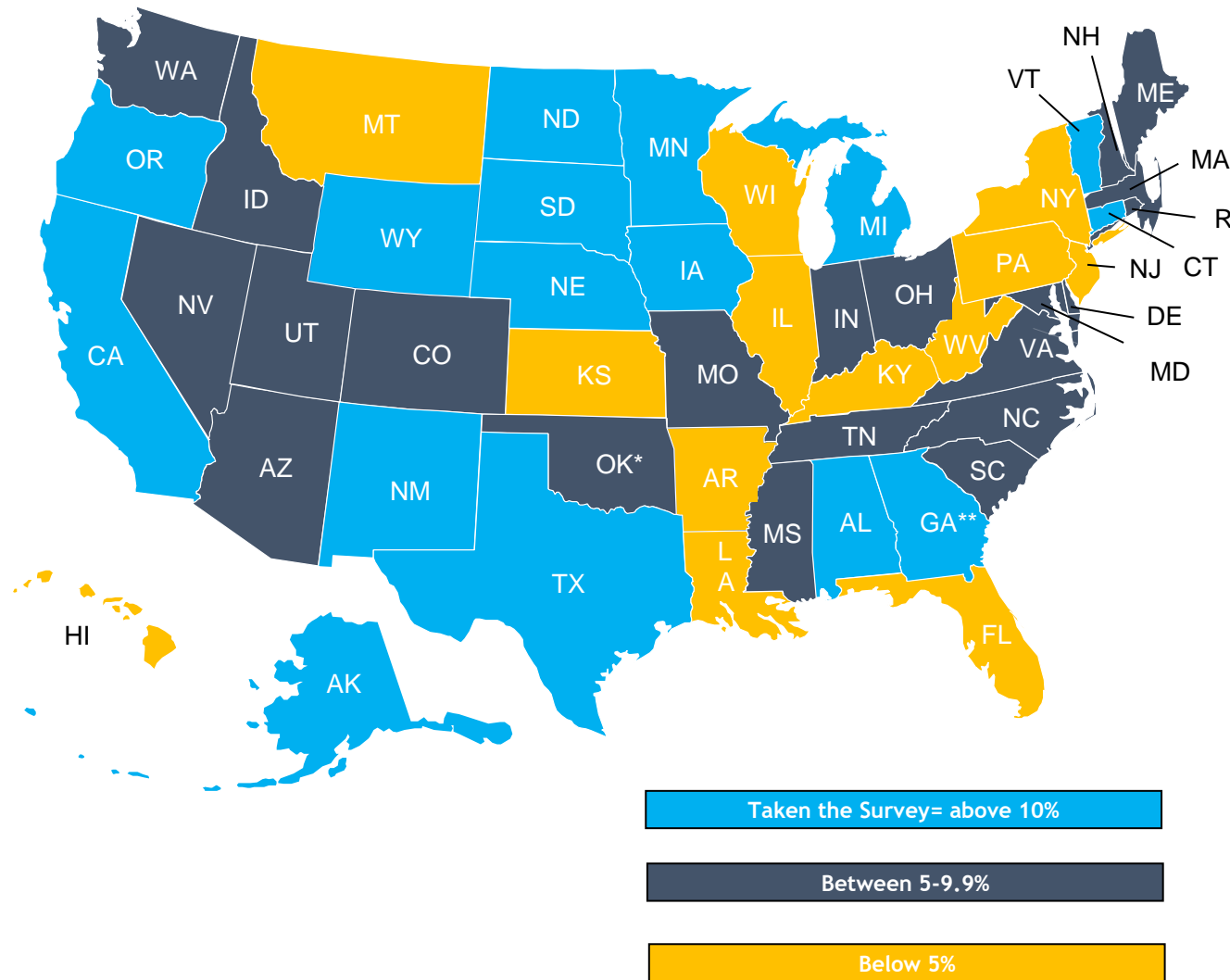
<https://www.ncsl.org/research/fiscal-policy/state-fiscal-responses-to-covid-19.aspx>

Rainy Day Fund Strategies: A Call to Action. Volker Alliance, July 10 2019.

<https://www.volckeralliance.org/publications/rainy-day-fund-strategies-call-action>

# Rainy Day Funds FY20

For perspective,  
revenue shortfalls  
correlated to tax  
source, tax elasticity



**Median RDF 8%**

**Largest % RDF**

- WY 109%
- AK 53%**
- ND 30%
- NM 27%
- WV 17%
- CT 15%
- VT 14%
- OR 14%
- CA 10%

**Smallest % RDF**

- IL 0%
- KS 0%
- PA 1%
- NJ 1%
- KY 2.6%
- AK 2.7%
- NY 3.2%
- WI 3.6%
- LA 4.4%
- MT 4.6%

# State and Local Stimulus to State FY20 General Fund, sorted by FY20 General Fund

State	Federal Stimulus (Millions)	FY20 General Fund Expenditures (Millions)	RDF Balance	Eligible Cities
California	\$15,321	\$147,781	13.0%	16
New York	\$7,543	\$77,857	3.2%	6
Texas	\$11,243	\$60,775	12.9%	12
Michigan*	\$3,873	\$10,432	11.0%	4
New Jersey	\$3,444	\$38,403	1.0%	9
Illinois	\$4,914	\$37,487	0.0%	5
Ohio	\$4,533	\$35,045	7.7%	5
Massachusetts	\$2,673	\$34,972	9.5%	7
Florida	\$8,328	\$34,150	4.6%	12
Pennsylvania	\$4,964	\$33,998	1.0%	7
Georgia	\$4,117	\$26,143	10.6%	4
Washington	\$2,953	\$24,360	8.0%	4
Minnesota	\$2,187	\$23,950	10.4%	2
North Carolina*	\$4,067	\$23,666	5.3%	3
Virginia	\$3,310	\$22,751	6.0%	1
Maryland	\$2,344	\$19,419	6.2%	5
Connecticut	\$1,382	\$19,319	15.3%	3
Wisconsin	\$2,248	\$18,387	3.6%	2
Indiana	\$2,610	\$16,831	8.6%	1
Tennessee	\$2,648	\$15,741	7.0%	2
Colorado	\$2,322	\$13,261	7.9%	5
Kentucky	\$1,732	\$11,849	2.6%	1
Arizona	\$2,822	\$11,583	8.8%	2

CARES Source: The Coronavirus Relief Fund (CARES Act, Title V): Background and State and Local Allocations . April 1, 2020. Congressional Research Services, <https://crsreports.congress.gov/product/pdf/R/R46298>  
 FY20 & RDF Source: Source: NASO Fiscal Survey of the States, Fall 2019. <https://www.nasbo.org/reports-data/fiscal-survey-of-states>

State	Federal Stimulus (Millions)	FY20 General Fund Expenditures (Millions)	RDF Balance	Eligible Cities
Oregon	\$1,635	\$10,981	13.5%	2
Missouri	\$2,380	\$10,326	6.3%	2
Louisiana	\$1,803	\$9,725	4.4%	0
Alabama	\$1,901	\$9,318	10.1%	1
South Carolina	\$1,996	\$8,575	6.6%	1
Hawaii	\$1,250	\$8,306	4.8%	1
Utah	\$1,250	\$7,959	9.9%	2
Kansas	\$1,250	\$7,759	0.0%	2
Iowa	\$1,250	\$7,634	10.3%	0
New Mexico	\$1,250	\$7,516	26.8%	1
Oklahoma	\$1,534	\$7,491	11.5%	2
Mississippi	\$1,250	\$5,747	8.1%	0
Arkansas	\$1,250	\$5,737	2.7%	0
West Virginia	\$1,250	\$4,791	16.9%	0
Delaware	\$1,250	\$4,668	5.4%	1
Nebraska	\$1,250	\$4,625	11.0%	1
Nevada	\$1,250	\$4,431	8.9%	1
Alaska	\$1,250	\$4,337	52.6%	0
Rhode Island	\$1,250	\$4,078	5.2%	1
Maine	\$1,250	\$3,923	7.8%	0
Idaho	\$1,250	\$3,910	9.5%	0
North Dakota	\$1,250	\$2,588	30.0%	0
Montana	\$1,250	\$2,566	4.6%	0
South Dakota	\$1,250	\$1,701	11.1%	0
Vermont	\$1,250	\$1,645	13.7%	0
New Hampshire	\$1,250	\$1,563	7.4%	0
Wyoming	\$1,250	\$1,530	109.0%	0

# COVID-19 Impact on Government Operations

**For perspective, revenue shortfalls correlated to tax source, tax elasticity**

- 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)

[\(Source: Pew Mix of Tax Source by State\)](#)

# COVID-19 Impact on Government Operations

## Direct State & Local Stimulus, \$150 Billion

- Each state to receive at least \$1.25 billion, with more populous states receiving more funding ([state and local allocation](#))
  - March 28<sup>th</sup>: NGA asked for speed, flexibility for non COVID-19 projects, and clear guidance ([NGA Letter to Treasury](#))
  - April 10<sup>th</sup> : OMB Memo M-20-21 Implementation Guidance for Supplemental Funding in Response to COVID-19 ([Memo](#))
  - April 24<sup>th</sup>: funds to be available via a portal

## Funds must be used for costs that:

- Are necessary expenditures incurred due to COVID-19.
- Were not accounted for in the budget most recently approved as of the date of enactment of this section.
- Were incurred during the period that begins March 1, 2020 and ends Dec. 30, 2020.

## Other Funds: Other stimulus buckets disbursed through pre-crisis channels. (\$2 Trillion)

- Ex: Unemployment insurance, Job training, FEMA, National Guard, rural broadband, transit, election security ([Full list of other funds](#)).

## Fourth phase being disused:

- April 11<sup>th</sup>: NGA asked for unrestricted State and Local Stimulus \$500 Billion for replacement on lost revenues ([Letter to Congress](#))

# COVID-19 Impact on Government Operations

## Some States have Taken the Following Steps: **Federal Stimulus**

- Appointed a CARES lead (CARES Czar)
- Established an agency lead & track in each agency
- Tracked already spent emergency cost to understand COVID-19 reimbursement
- 136 cities will receive direct allocations. Some states working with cities under 500,000 that will not receive a federal stimulus allotment directly. Allowable
- Able to use the funds, changes in procedures, policies to advance government operations and improve government services and Governor's management agenda long-term.

ex: Right-sizing technology and platforms, project-based work, redeploy staff, data-driven decisions

# COVID-19 Impact on Government Operations

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

- Telework (Many states with 50-60% goal, range: 10%-85%)
  - *New normal: significant stake-holder buy-in for telework*
  - *Limited telework performance metrics being used*
  - *Categories: Essential can telework, Essential can't telework; non-essential can telework, non-essential can't telework (this category was of the highest conversation, furloughs vs. unpaid leave)*
  - *Some states not using the word "essential," Governor's intent is for every state employee to work; essential categories were developed for natural disasters and not useful*
- Strategic Workforce Planning
  - Pivot or repurpose employees that can not complete their job function
  - Increased trainings & learning platforms – *micro trainings, not long-term trainings*
  - Union considerations & positive labor relationships
  - Hazard Pay



# COVID-19 Impact on Government Operations

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

- Talent Acquisition:
  - Increased Hiring (call centers and cleaning); Hiring freeze
  - Recruiting recently retired & soon to graduate
  - Increased value for public sector recruiting: job stability & benefits
- Benefits:
  - Telehealth benefits for state employees
  - Mental Health Resources
  - Employee Financial Assistance Program

# COVID-19 Impact on Government Operations

## *Additional Questions to discuss:*

- *How to make training and learning valuable?*
- *What are the impacts on Recruitment, Culture, Employee Engagement, Pensions, Succession Planning, PTO, Overtime?*
- *Process/policy for feedback from supervisors on telework: identify what is going well, call out areas of weakness, obtain suggestions for improvement, and process for additions?*
- *How has this impacted state employees with a disability?*

- **White Boarding:**

# 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
- Innovations:
  - Flexible payment terms (pre-payment checklist)
  - Blanket purchase authority to purchase PPE
  - Direct sourcing from foreign countries
  - COVID-19 Procurement team; vendor mailbox
  - Sign-off specifications delay process, adding a medical professional to procurement team for immediate sign-offs
- Challenge: Government price gouging; Solution: Attorney General Actions

# 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 : **Asset management**

- Some states have sophisticated asset tracking and logistics platforms, mostly being used for technology (laptops, printers, scanners, phones)
- Limited states tracking office items (furniture, thinking through the liability of ergonomics of at home workspaces)
- Asset management teams oversee donated items process