

STATE OF EMERG
OBEY PUBLIC
HEALTH ORDERS

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COUNTY ECONOMIES AND FINANCES

COUNCIL OF ECONOMIC ADVISERS – JANUARY 2021

AMERICA'S
COUNTY
GOVERNMENTS
EMPLOY
3.6 MILLION
PUBLIC SERVANTS



328,000
HOSPITAL WORKERS



374,000
LAW ENFORCEMENT
OFFICERS



93,000
FIRE PROTECTION
WORKERS



259,000
HUMAN SERVICES
WORKERS



200,000
PUBLIC HEALTH
WORKERS

COVID-19 RELATED COUNTY FUNCTIONS

SERVICES
COMMONLY
SUPPORTED BY
COUNTIES

HOSPITALS	BEHAVIORAL HEALTH SERVICES	911 CALL CENTERS	DOMESTIC VIOLENCE SERVICES	SMALL BUSINESS ASSISTANCE
PUBLIC HEALTH DEPARTMENTS OR AUTHORITIES	EMERGENCY OPERATIONS CENTERS	CORONERS & MEDICAL EXAMINERS	CHILD PROTECTIVE SERVICES	AIRPORTS
NURSING HOMES	JAILS	HOMELESS SERVICES	ELDERLY SERVICES	PUBLIC TRANSPORTATION SERVICES

COUNTY PARTICIPANTS ON THE CALL



Supervisor Hilda Solis

County Sup. Board Chair, Los Angeles County, Calif.
Former U.S. Secretary of Labor
County Population: 10,039,107
County Budget: \$22.9 billion

Supervisor Zach Friend,

County Supervisor, Santa Cruz County, Calif.
Former White House Council of Economic Advisers
County Population: 273,213
County Budget: \$630 million

Mayor Jerry Demings

County Mayor, Orange County, Fla. (Orlando)
County Population: 1,393,452
County Budget: \$2 billion

Commissioner Melissa McKinlay

County Comm., Palm Beach County, Fla.
President of the Florida Association of Counties
County Population: 1,496,770
County Budget: \$2.3 billion

Executive Laura Curran

County Exec., Nassau County, N.Y.
County Population: 1,356,924
County Budget: \$4.3 billion

Executive Ryan McMahon

County Exec., Onondaga County, N.Y.
County Budget: \$1.3 billion
County Population: 460,528

Commissioner Larry Johnson

County Commissioner, DeKalb County, Ga.
NACo First Vice President
County Population: 759,297
County Budget: \$1 billion



Executive Dow Constantine

County Executive, King County, Wash.
County Population: 2,252,782
County Budget: \$3.5 billion

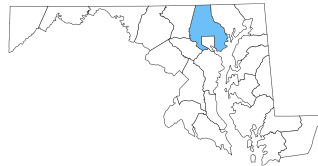
Executive Dave Somers

County Executive, Snohomish County, Wash.
County Population: 822,083
County Budget: \$573 million



Mayor LaToya Cantrell

Parish Mayor
Orleans Parish, La.
County Population: 390,144
County Budget: \$1.4 billion



Executive John Olszewski

County Executive
Baltimore County, Md.
County Population: 827,370
County Budget: \$3.9 billion



Board Chair Alisha Bell

County Comm. Chair, Wayne County, Mich.
County Population: 1,749,343
County Budget: \$2 billion



Commissioner Kevin Boyce

Franklin County, Ohio
Former State Treasurer and chair of NACo's finance and intergovernmental affairs committee
County Population: 1,316,756
County Budget: \$1.8 billion



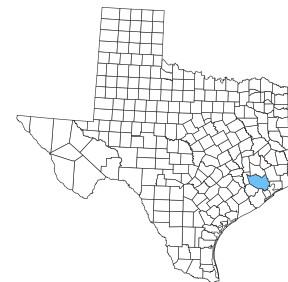
President Toni Preckwinkle,

County President
Cook County, Ill.
County Population: 5,150,233
County Budget: \$3.7 billion



Board Chair Marilyn Kirkpatrick

County Comm. Chair, Clark County, Nev.
Former Speaker of the House for state legislature
County Population: 2,266,715
County Budget: \$5.3 billion



Judge/Executive Lina Hidalgo

County Judge, Harris County, Texas
County Population: 4,713,325
County Budget: \$5.7 billion

COUNTIES ARE UNIQUELY POSITIONED TO SUPPORT U.S. JOB GROWTH, GDP EXPANSION AND ECONOMIC RECOVERY



Counties are the frontlines in our **nation's public health and public safety**, investing \$263 billion annually and employing 1.5 million health and public safety workers (out of a total county workforce of 3.6 million).



Counties have focused on **saving small businesses and serving residents** that are being left behind in the COVID-19 economy, including through strategic investments of Coronavirus Relief Fund (CRF) dollars.

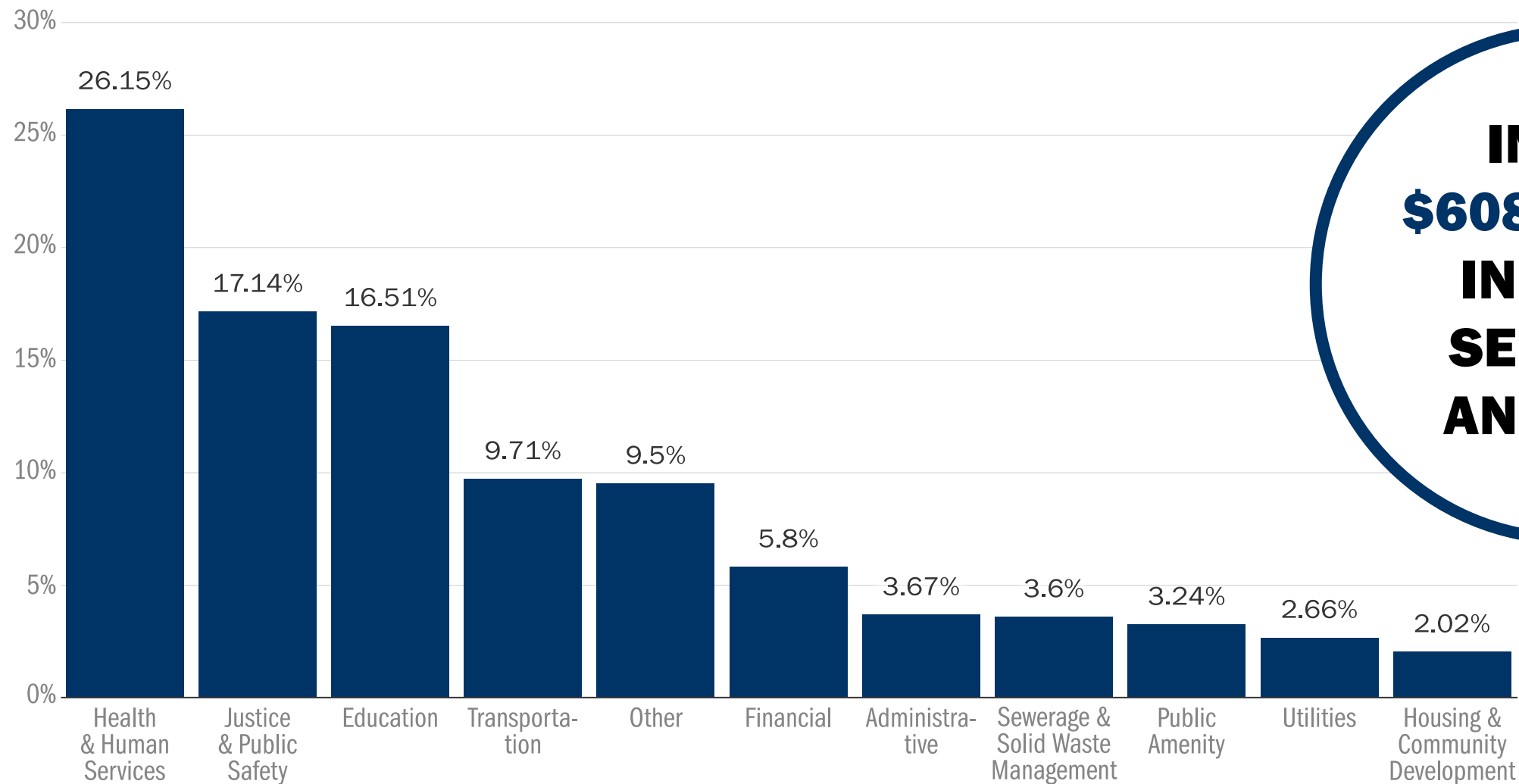


Local government investment will drive COVID-19 **economic recovery** with GDP and U.S. job growth, retaining the county workforce as one of the nation's largest employers and restoring local economies through vital infrastructure, health, safety and resiliency investments.

COUNTIES INVEST IN PEOPLE AND COMMUNITIES,

PROVIDING CRITICAL PUBLIC HEALTH AND SAFETY SERVICES IN HIGH DEMAND

Share of Local Government Spending by Category, 2017



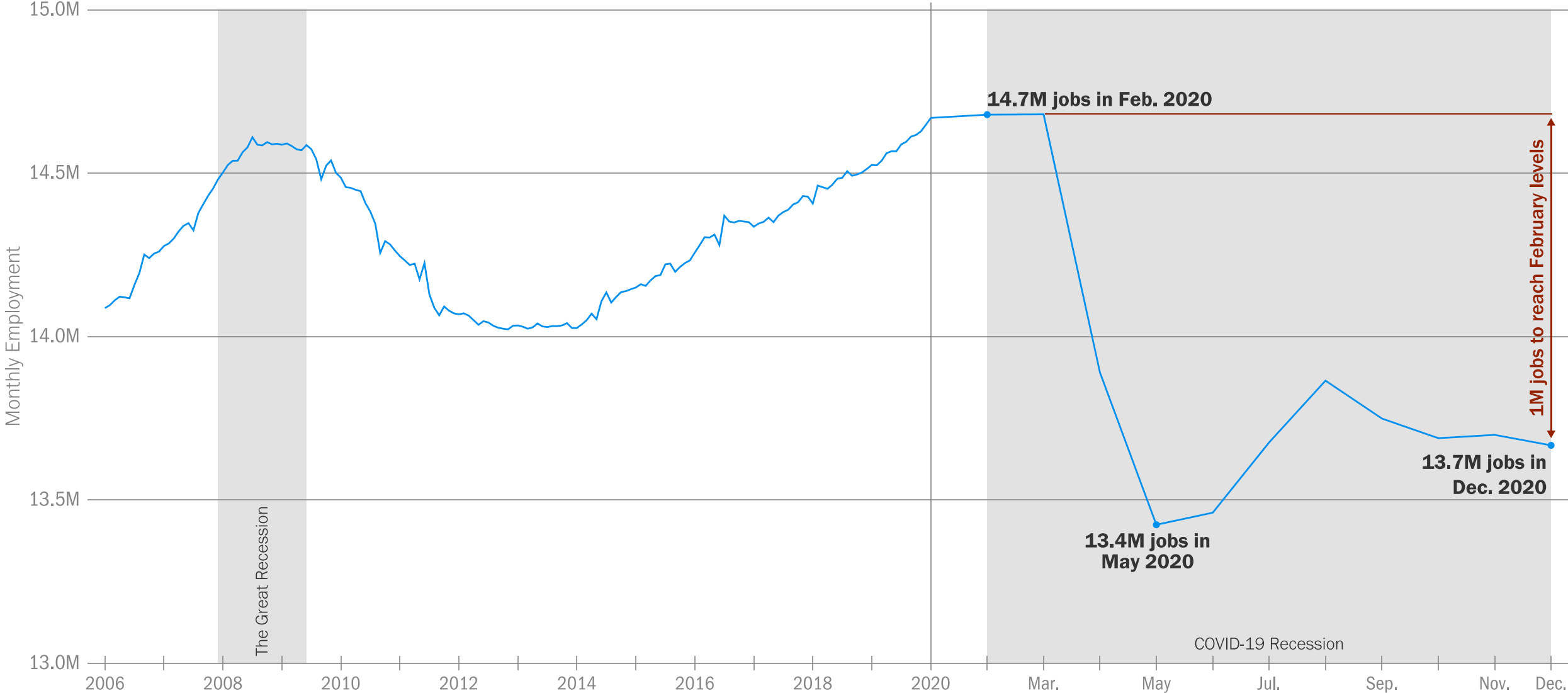
**INVEST
\$608 BILLION
IN LOCAL
SERVICES
ANNUALLY**



COUNTIES EMPLOY 3.6 MILLION U.S. WORKERS, ONE IN EVERY TEN JOBS LOST DURING THE PANDEMIC HAS BEEN A LOCAL GOVERNMENT JOB

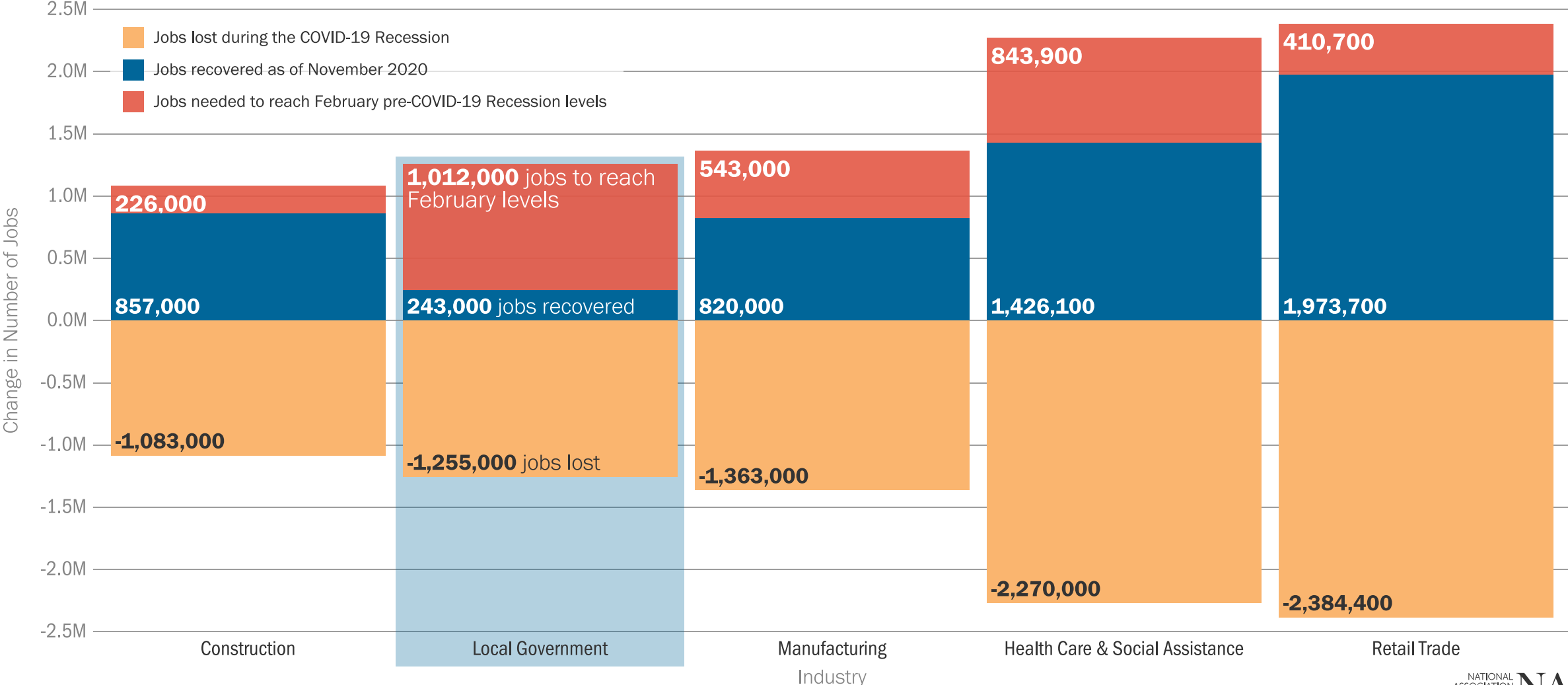


Local Government Employment Levels, 2007 – Dec. 2020



JOB SECTORS STILL WELL BELOW FEBRUARY LEVELS, LOCAL GOVERNMENT DOWN 1 MILLION JOBS

Change in Employment by Selected Industries, Feb. – Dec. 2020



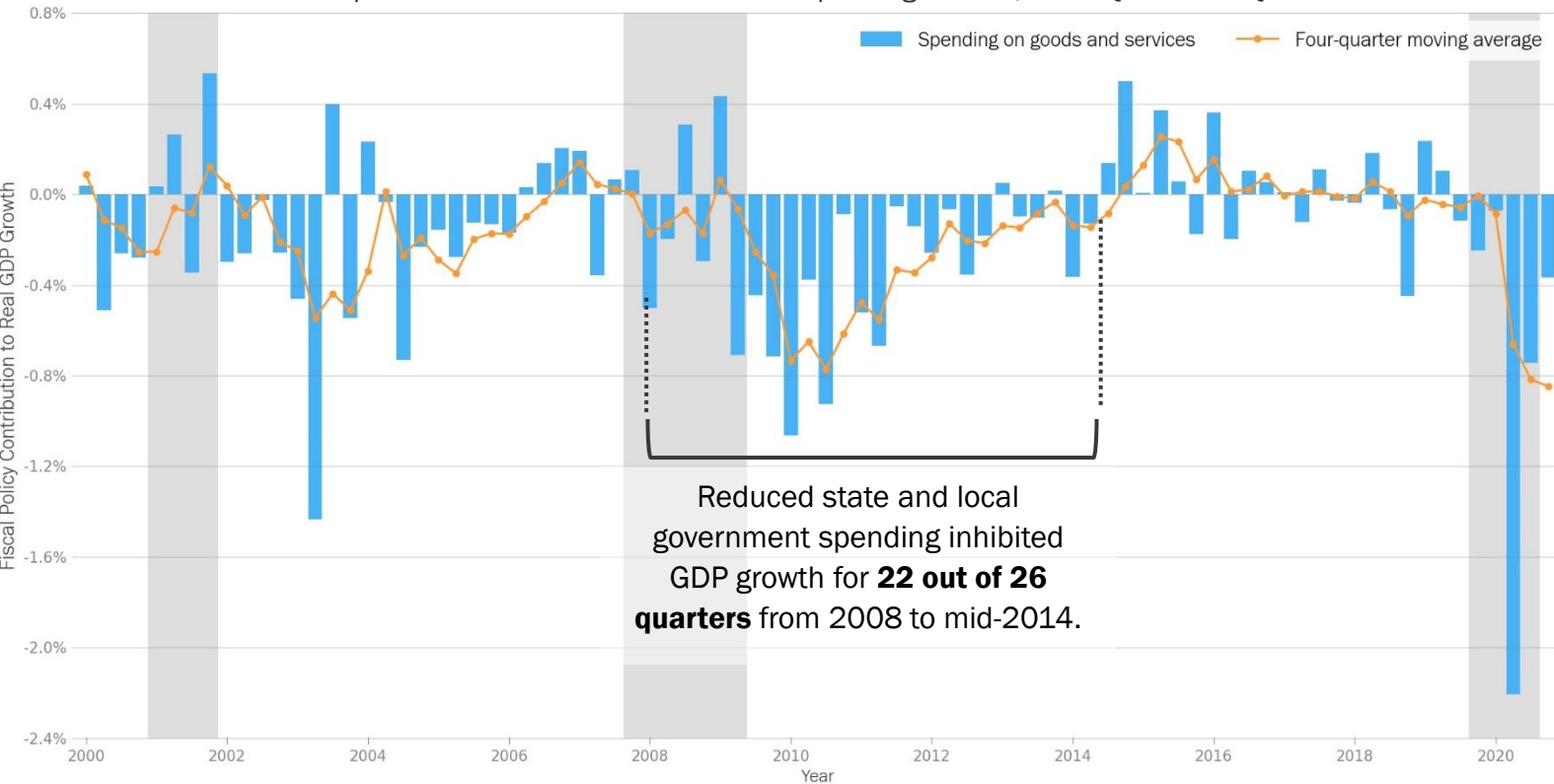
Notes:
 For NACo's complete analysis of the December Employment Situation report from the Bureau of Labor Statistics (BLS), see "Local Governments Experience Sixth Month of Jobs Decline in December: National Labor Market Recovery Halts with First Job Losses Since April," available at: <https://www.naco.org/resources/featured/december-jobs>



REDUCED COUNTY BUDGETS DIRECTLY IMPACT ECONOMIC PRODUCTIVITY; STATE AND LOCAL GOVERNMENT SPENDING COMPRISE A KEY SHARE OF GDP



Hutchins Center Fiscal Impact Measure
Impact of State and Local Government Spending on GDP, 2000 Q1 – 2020 Q3



Every dollar of local government aid is a dollar in GDP growth.

One U.S. job will be created for every \$35,000 of local government spending.¹

Additional federal aid for counties will add jobs and lead to GDP growth.²

On average, state and local government spending have comprised approximately **14 percent** of U.S. GDP since 2000.³

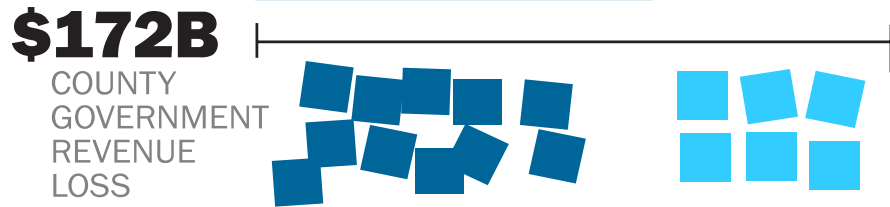
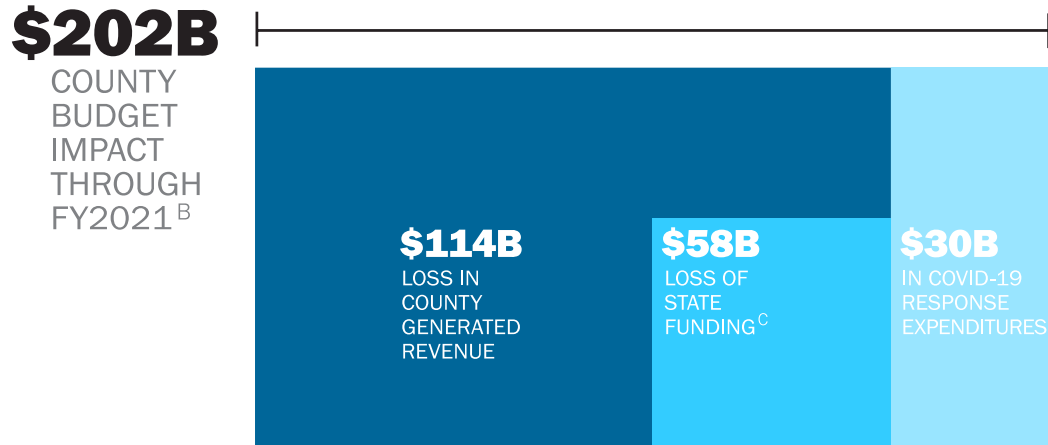
Source: NACo Analysis of Brookings Institution Hutchins Center Fiscal Impact Measure, available at <https://www.brookings.edu/interactives/hutchins-center-fiscal-impact-measure>

Notes:

1. Daniel Shoag, Harvard University, "The Impact of Government Spending Shocks: Evidence on the Multiplier from State Pension plan Returns" available at https://scholar.harvard.edu/files/shoag/files/impact_of_government_spending_shocks_01.pdf (July 13, 2020).
2. Center for American Progress, *A Coronavirus Recovery Demands Substantial, Durable Aid for State and Local Governments*, available at <https://www.americanprogress.org/issues/economy/news/2020/04/17/483461/coronavirus-recovery-demands-substantial-durable-aid-state-local-governments/>
3. NACo analysis of U.S. Bureau of Economic Analysis, State and Local Government Current Expenditures [SLEXPND] and Gross Domestic Product [GDP], retrieved from FRED, Federal Reserve Bank of St. Louis, February 2, 2021.
4. The Congressional Budget Office found that weak state and local government spending following the Recession slowed economic recovery. (U.S. Congressional Budget Office, "What Accounts for the Slow Growth of the Economy After the Recession" available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/43707-SlowRecovery.pdf> (July 13, 2020)

COUNTIES ANTICIPATE \$202 BILLION IMPACT THROUGH FY2021

CONCURRENT WITH INCREASED DEMAND ON PUBLIC HEALTH, PUBLIC SAFETY AND SOCIAL SAFETY NET SERVICES

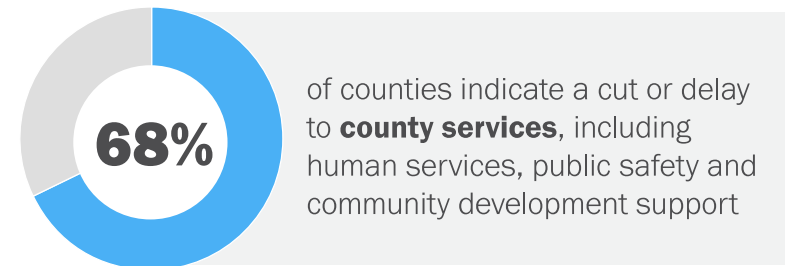
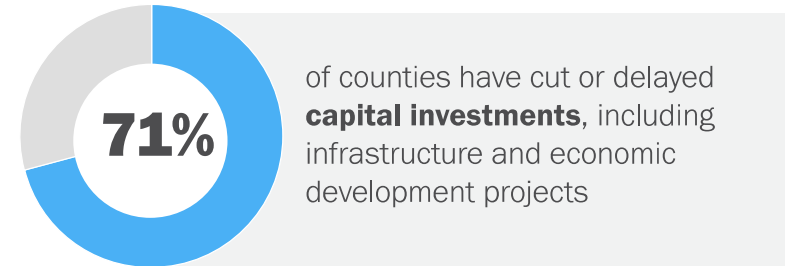


\$1 CUT IN COUNTY SPENDING ≈
\$2 LOST IN GDP
per Chodorow-Reich model, Harvard University

\$35K CUT IN COUNTY SPENDING ≈
1 LESS JOB CREATED
per Shoang model, Harvard University

\$344B LOST IN GDP
IMPACT TO THE NATIONAL ECONOMY
4.9M LESS JOBS

IMPACT TO COUNTIES THUS FAR:^A



Notes:

A: Stats are based on a recent NACo survey of 197 counties. B: These estimates were calculated from March 1, 2020 through September 30, 2021, the end of the federal government fiscal year. County budgets typically follow one of three budget cycles: January to December (calendar year), July to June or October to September (federal government fiscal year). For more details on the estimates regarding county-generated revenue or additional expenditures, see NACo's "Analysis of the Fiscal Impact of COVID-19 on County Finances," available at <https://www.naco.org/resources/analysis-fiscal-impact-covid-19-county-finances>. C: NACo estimated this state funding loss based on a study from the Center on Budget and Policy Priorities (CBPP), which found that states would lose 10% of their total revenue in FY2020 and 25% in FY2021. Data are from 2017 Census of Governments, adjusted for inflation to 2019 dollars.

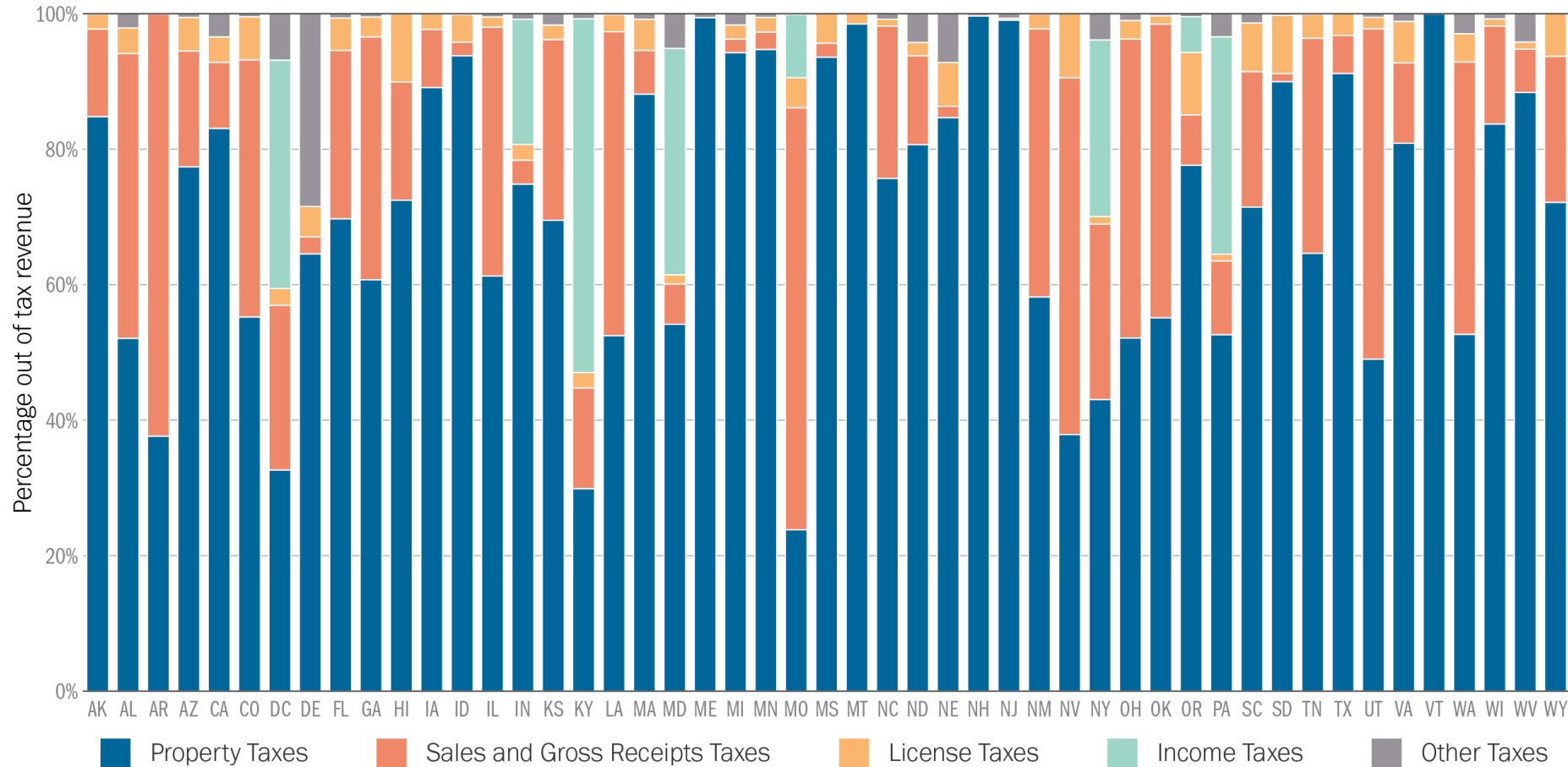
Source: NACo Research, 2020; NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance

COUNTY SALES TAX IMPACTED IN 2020

LOCAL SALES AND INCOME TAX DECLINE EXPECTED, PROPERTY TAXES CAPPED AND AT RISK



County Government Tax Revenue by Share of Source, 2017



Notes:

- The fiscal outlook for counties is most often tied to local tax sources. Sales taxes in many counties declined in 2020, impacting the \$54 billion annual sales tax base of counties.
- Approximately 190 counties collect local area income taxes from residents. Future year estimates include declines in local income tax of 7.5 percent (\$37 B) next year (2021) and 7.7 percent (\$40 B) in 2022.
- The county tax base is comprised of majority property taxes at \$159 billion annually, which is 62% of all tax revenue or 24% of all county revenue. Forty-three (43) percent of respondents to a recent NACo survey expect property tax lags or declines in the next budget cycle.
- Long-term impacts on the commercial real estate sector are largely tied to the timeline for a return to normalization of the economy.

COUNTIES ARE INVESTING \$22.5 BILLION FROM THE CORONAVIRUS RELIEF FUND (CRF) TO RESTORE AND SUSTAIN COMMUNITIES



SMALL BUSINESS AND NONPROFIT SUPPORT

Developing loan and grant fund programs to quickly disperse emergency relief dollars to stabilize local business and support essential operational costs such as rent, utilities, payroll and protective gear.



SUPPLIES AND RESOURCES



Purchasing supplies and resources needed for COVID-19 response, like personal protective equipment (PPE) for essential workers.

HOUSING AND UTILITY ASSISTANCE

Providing rental, mortgage and utility assistance to individuals – both tenants and landlords – financially impacted by COVID-19.



UNEMPLOYMENT AND WORKFORCE DEVELOPMENT



Investing in workforce development and training for individuals furloughed or laid off due to COVID-19.

COVID-19 TESTING

Providing COVID-19 testing for uninsured residents free charge.



TRANSFERS TO LOCAL GOVERNMENTS

Subgranting to other local governments for necessary COVID-19 expenditures.

PERSONNEL COSTS

Funding payroll and benefits costs for public health, public safety and human services employees who are responding to COVID-19.



LOCAL HEALTH DEPARTMENTS



Providing assistance to local health departments for expenses necessary to respond to COVID-19, including support for public outreach and COVID-19 safety messaging.

VACCINE DISTRIBUTION

Preparing vaccine distribution plans and purchasing the necessary supplies, like syringes, refrigeration bags, trucks and storage facilities.



BROADBAND AND TECHNOLOGY

Expanding connectivity for online learning and telehealth services, deploying more public Wi-Fi access points and investing in residential broadband infrastructure.



COUNTY JAILS AND CORRECTIONAL FACILITIES

Providing personal protective equipment for staff and vendors interacting with individuals displaying COVID-19 symptoms and cleaning supplies to sanitize commonly used areas.



SOCIAL SAFETY NET SERVICES

Providing critical public assistance services and programs including child care, nutrition assistance and services to older Americans.

Source: NACo analysis of County Coronavirus Relief Fund (CRF) spending plans, available at www.naco.org/crf

Note: The Coronavirus Relief Fund (CRF) was established under the CARES Act and provides \$150 billion in direct aid for state, county and municipal governments with populations of over 500,000 people to address necessary expenditures incurred due to the COVID-19 public health emergency. Counties received approximately \$22.5 billion in CRF. With those funds, counties invested in small business support, housing and utility assistance, cash assistance and more.

119 COUNTIES RECEIVED DIRECT CRF FUNDS: HOUSING AND SMALL BUSINESS ASSISTANCE WERE PRIORITY INVESTMENTS

New Castle County, Delaware purchased a hotel in an auction for **\$19.5 million**. The 192-room hotel will be transformed to provide emergency shelter and temporary housing with onsite case management and health services.

2019 Population: 558,753
2020 CRF Allocation: \$322,766,669



Hamilton County, Ohio invested **\$5 million** in a rental and utility relief program to directly pay landlords or utility providers up to \$5,000. After high demand, the county added **\$3.5 million** of funding.

2019 Population: 817,473
2020 CRF Allocation: \$142,642,735



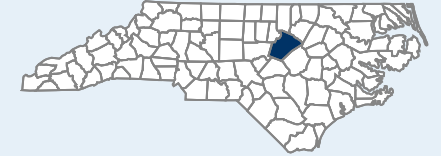
El Paso County, Texas partnered with the city to administer **\$10 million** towards a rental assistance program through local nonprofits. Residents at risk of eviction can receive up to three months rent.

2019 Population: 839,238
2020 CRF Allocation: \$125,704,768



Wake County, North Carolina allocated **\$7 million** to a new rental assistance and eviction prevention program. The program provides financial resources to landlords and tenants, eviction mediation services and relocation assistance as needed.

2019 Population: 1,111,761
2020 CRF Allocation: \$193,993,721



Summit County, Ohio provided more than **\$12 million** in grants to 3,058 small businesses through its COVID-19 Small Business Emergency Relief Grant Program.

2019 Population: 541,000
2020 CRF Allocation: \$94.4 million



Tulsa County, Okla. invested **\$25 million** in its small business assistance program to provide up to \$125,000 to entrepreneurs and businesses with fewer than 100 employees.

2019 Population: 652,000
2020 CRF Allocation: \$113.7 million



Kent County, Mich. allocated **\$33.5 million** to grants for small businesses – especially those with 25 or fewer employees – as well as **\$3 million** to PPE for small businesses and **\$750,000** to child care providers.

2019 Population: 657,000
2020 CRF Allocation: \$114.6 million



Williamson County, Texas established its small business program with **\$30 million** of its CARES Act funding. As of June, the program has assisted 3,509 small businesses with, on average, a \$9,472 grant.

2019 Population: 591,000
2020 CRF Allocation: \$93.4 million



COUNTIES THAT DID NOT RECEIVE AID

ARE FARING WORSE THAN COUNTERPARTS WHICH RECEIVED DIRECT FEDERAL AID

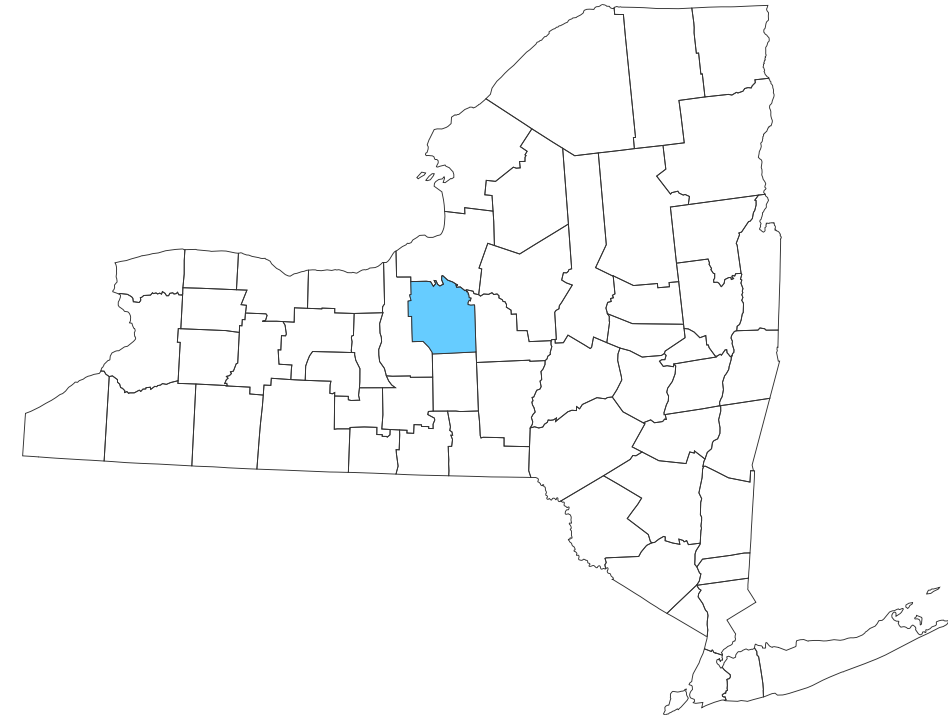


ONONDAGA COUNTY, N.Y

With a population of just under 500,00, **Onondaga County did not receive any CARES Act funding**. The financial impact of COVID-19 on the county has resulted in **500 fewer jobs** than the previous year, and a total workforce now less than 2,900 people.

The county's proposed 2021 budget is also **6.3 percent lower** than its 2020 budget. Despite an **\$84 million difference in budget** compared to 2020, the county still plans to invest \$6.8 million in COVID-19 recovery and \$3.1 million in a distressed hospital from county funds in 2021.

A **\$22 million decrease in county sales tax revenue** throughout the pandemic has contributed to this decline. On top of these cuts, Onondaga County is also budgeting for a **\$20 million cut in aid** from New York State for 2021.



Population: 460,528
County Budget: \$1.3 billion
CRF Allocation: \$0.00

NACo CORONAVIRUS RESOURCE HUB

www.naco.org/coronavirus

Federal Policy Resources

Get an analysis of the latest federal action, letters, policy news and action alerts, as well as resources from federal agencies and the White House, including best practices, FAQs and more.

LEARN MORE

Counties Matter: COVID-19

America's counties are on the front lines of our nation's response to the coronavirus pandemic.

LEARN MORE

Research & Data

Explore NACo's latest research and data resources on the COVID-19 pandemic.

Webinars & Events

Find the latest webinars, events and national calls from NACo.

County News Coverage

Follow the latest coverage of the COVID-19 pandemic from NACo's County News.

GO TO COUNTY NEWS

We Are Counties

NACo's *We Are Counties* campaign aims to put faces on the many frontline services counties provide, and we need your help.

LEARN MORE

County Responses by Topic

Get up-to-date resources for county officials, organized by key issue areas.

NACo Partner Resources

Find the latest resources from NACo partners and the private sector.



STRONGER COUNTIES. STRONGER AMERICA.

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