

# **Strategic Opportunities for State and Local Government Agencies**

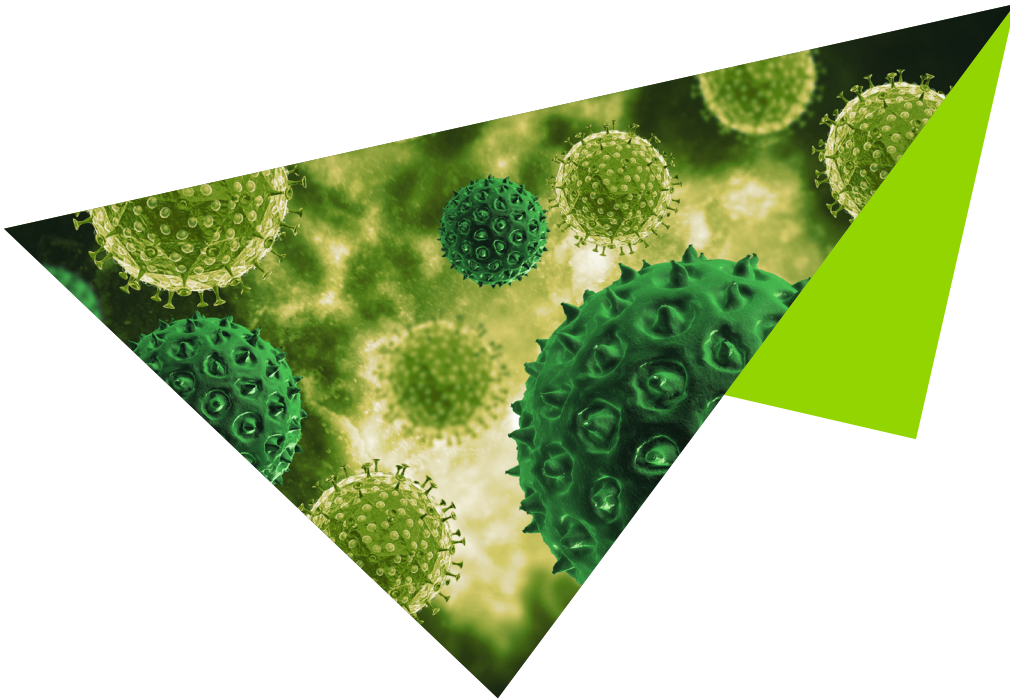
Facing an Uncertain Future  
During COVID-19





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## COVID-19

# Heart of the Matter

The COVID-19 global pandemic has caused many government agencies to limit, and in some cases completely shut down, their operations. While these types of shutdowns are critical to limiting the spread of COVID-19, they present an especially difficult challenge for the public, which needs a higher level of government service now more than ever. While uncertainty remains about how and when the pandemic will be resolved, government agencies are determining mechanisms to provide their services as effectively as possible while maintaining social distance.

Beyond the urgent need to establish telecommuting for government employees, state and local governments have opportunities to proactively approach problems within government, instead of reacting day-to-day. If executed properly, government agencies are poised to make strategic moves that will position them as leaders in their respective areas. In a few years, they may be upheld as agencies that not only crafted a timely and effective response to COVID-19, but also considered the long-term repercussions beyond the pandemic.

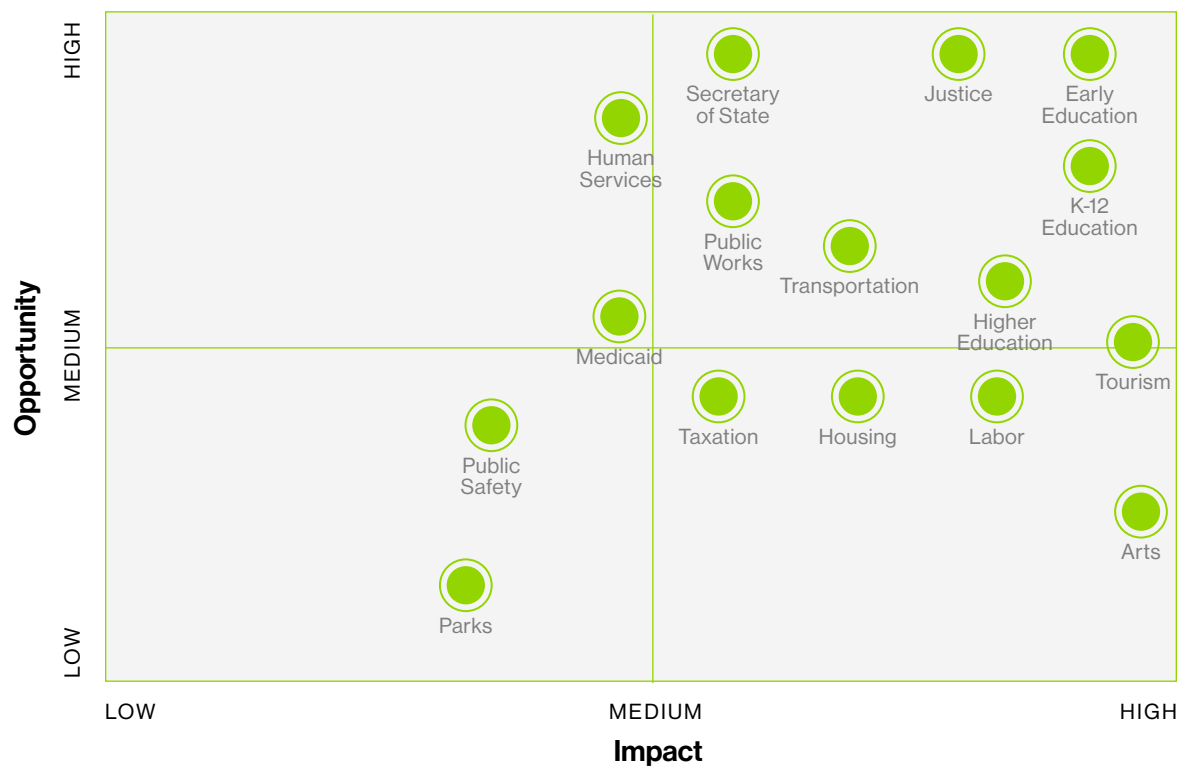
While these opportunities may require initial investments in a time when state and local governments are under financial strain, the cost savings and efficiencies gained from these strategic moves has the potential to benefit governments in the long run. As an example, during the previous recession, the Recovery Act of 2009 allocated \$48.1 billion in funding for transportation infrastructure and showed a quantifiable relationship between transportation investment and outcomes. This contributed to improving more than 42,000 miles of roads and almost 2,700 bridges, paid for 850 new transit facilities, nearly 12,000 new buses, and nearly 700 new rail cars, and repaired about 800 airport facilities. During the years immediately after the Recovery Act, the U.S. Department of Transportation classified 9.3% of bridges as structurally deficient in 2008, a figure that dropped to 7.1% by 2014. Government spending can also help stimulate the economy and support workers, especially in the event of an economic recession.

1. <https://www.brookings.edu/blog/the-avenue/2017/02/22/eight-years-later-what-the-recovery-act-taught-us/>
2. <https://www.brookings.edu/blog/the-avenue/2017/02/22/eight-years-later-what-the-recovery-act-taught-us/>
3. <https://www.brookings.edu/blog/the-avenue/2017/02/22/eight-years-later-what-the-recovery-act-taught-us/>

Guidehouse examined 16 categories of services provided by the government. We rated the immediate and longer-term impact of the COVID-19 pandemic on each service area as high, medium, or low. High impacts refer to severe disruptions that prevent any semblance of business as usual and require the most adjustment from the government agency to respond to the crisis. We also rated the opportunities created by these impacts as high, medium, or low, although not every opportunity responds directly to an immediate impact.

Based on our analysis of the 16 categories of service areas, we have plotted the agencies based on their impact and opportunities as shown below.

### Opportunity vs. Impact for Service Areas



# Service Areas of Government

In our analysis of each of the service areas of government, we delve into the specifics of how COVID-19 has impacted these areas, and how government agencies are responding.

## 1.1 Early Education

### Summary

The COVID-19 pandemic has entirely disrupted normal child care operations and required state and local governments to quickly establish supports for child care programs during the emergency. While many parents are working from home, children of essential workers in the healthcare, public health, human services, law enforcement, public safety, and first responder fields require care. As a result, state governments have had to rapidly shift their model and balance concerns for spread of the virus and critical need for child care. While this creates unique challenges for states, child care providers, and educators alike, it also presents an opportunity to pilot new approaches in providing child care and establishing partnerships to support the field.

### Impacts: High

The COVID-19 pandemic has impacted early education in the following ways:

**Limited access to child care:** Child care programs across the country have been left to make the tough decision to continue to operate under the emergency or close for the foreseeable future. In states that have not already mandated program closures, many child care programs have shut down due to under-enrollment. While states have released funding to support child care programs, many are still struggling to stay open. For essential workers with no other options, there is increased concern for available child care that is not only affordable, but also safe amid the pandemic.

### Economic instability for providers:

Whether programs decide or are ordered to close, or continue to operate, there is increased economic instability in the field. Programs struggle to retain staff, pay mortgages, and cover other fixed costs, and face serious risk of permanent closure. In a National Association for the Education of Young Children survey of over 6,000 providers, 46% said they would not survive a closure of more than one month without significant investments from federal, state, and local governments. This instability has especially impacted small home-based child care programs that are more vulnerable to permanent closure, yet play a critical role in the system.

### Depletion of the child care workforce:

The national median annual wage for child care workers is \$24,610. A lower-valued industry, child care programs are struggling to continue paying workers the wages they rely on for their paycheck-to-paycheck expenses. Programs are anticipating that if they lay off workers, their workers will leave the field entirely. This potential exodus could have long-term impacts on the supply of child care workers after the crisis is over.

**Rapid shift in state regulations:** To reduce the burden on programs that have decided to remain open, many state early education agencies have quickly eased regulations and developed revised guidance for programs. States like Ohio, Illinois, and Massachusetts have established a separate emergency child care program subject to a unique approval process for programs that wish to operate during the crisis. States like these have developed a temporary model that fundamentally alters the way state agencies regulate child care in a matter of days.

4. <http://www.hunt-institute.org/covid-19-resources/state-child-care-actions-covid-19/>
5. [https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects\\_of\\_coronavirus\\_on\\_child\\_care.final.pdf](https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects_of_coronavirus_on_child_care.final.pdf)
6. <https://www.citylab.com/equity/2020/03/coronavirus-daycare-closed-home-child-care-business-covid-19/608956/>
7. <https://www.bls.gov/oes/2018/may/oes399011.htm>
8. <https://www.bostonglobe.com/2020/03/24/opinion/coronavirus-puts-child-care-sector-need-bailout/>
9. <http://www.hunt-institute.org/covid-19-resources/state-child-care-actions-covid-19/>

## Opportunities: High

The COVID-19 pandemic creates immense opportunities to rethink the child care model. With the rapid shutdown of the existing system, many states have the ability to shift the way child care programs are funded, better support home-based programs, and more meaningfully respond to the field.

**Rethinking the child care model:** For the duration of the crisis, state agencies are designing plans to ensure emergency child care is both sustainable through the duration of the crisis and child care providers are supported to reenter the field at the conclusion of the crisis. In the immediate crisis, states require support in rapidly setting up and monitoring the new world of child care. This includes not only establishing funding streams and defining business processes, but also establishing state agencies as a partner to child care programs here to support providers during the pandemic.

In the long-term, COVID-19 has allowed many the opportunity to rethink the way child care is provided moving forward. For example, state agencies like Massachusetts are piloting state-funded child care for essential workers and vulnerable families, regardless of income. Additionally, the crisis has highlighted the essential role that home-based programs play in ensuring availability of child care. While these programs are smaller and sometimes less appealing to parents and guardians than large center-based programs with more resources, home-based programs are well-positioned to step in during the age of social distancing. In the broader scheme of the child care field, expansion of home-based programs has been reported by some to improve affordability and access to child care.

**Shift to an in-service role:** States are working with the field — child care programs, child care workers, and families — to meet them where they are. Almost every state has temporarily eased its policies and regulatory requirements for child care providers to enable greater flexibility for child care service delivery. Instead of only monitoring programs, states are serving as collaborators to ensure the field has the resources it requires. For example, the State of New York is connecting child care workers temporarily out of work due to COVID-19-related program closures with local emergency child care programs that are in need of staff. In addition, the State of Massachusetts' child care program licensors, who normally monitor compliance, have been calling emergency programs on a daily basis and have opened feedback channels. The state is not just approving programs for operation, but also coordinating with programs to distribute cleaning supplies, develop health guidance, and help connect underutilized programs with families. This in-service role that states are playing is a major paradigm shift away from their traditional role monitoring and enforcing program compliance with state regulations.

**Establishing new partnerships:** To be more targeted in supporting child care for essential workers during the crisis, state agencies have begun establishing partnerships at the local level. Local governments, working closely with the state agencies, can better identify child care needs by locality and intervene accordingly with monetary and other supports. Additionally, state agencies have begun facilitating new partnerships between child care programs and essential businesses to more directly connect providers and parents and guardians. For example, the State of Georgia has partnered with the YMCA of Metro Atlanta to dedicate several of their facilities as child care centers for the medical workers of nine area hospitals. In addition, the State of Rhode Island has partnered with care.com to provide child care to frontline workers. These partnerships pave the road for a more targeted, intervention-based child care system that can anticipate needs in the field and provide support accordingly, becoming the future norm.



10. <https://www.bostonglobe.com/2020/03/18/metro/bright-horizons-daycare-centers-closing/>  
11. <https://www.citylab.com/equity/2020/03/coronavirus-daycare-closed-home-child-care-business-covid-19/608956/>  
12. <https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>  
13. <https://ocfs.ny.gov/programs/childcare/>  
14. <https://gov.georgia.gov/press-releases/2020-03-18/kemp-decal-applaud-ymca-metro-atlanta-providing-child-care-medical>  
15. <http://www.hunt-institute.org/covid-19-resources/state-child-care-actions-covid-19/>

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## 1.2 Transportation

### Summary

Due to the rapid implementation of large-scale social distancing measures and shelter-in-place orders to combat the community spread of COVID-19, America's transportation systems have ground nearly to a halt in most of the nation. Plummeting ridership, service reductions, employee risks, and revenue endangerment are all challenges transit industry professionals must face. At the same time, state and local departments of transportation are facing unprecedented challenges to how people interact with their surroundings. Despite these challenges, this crisis presents an opportunity for transportation agencies and transit providers across the country to accelerate capital improvements and repairs, at the same time as sustainably revolutionizing their fare structure and increasing ridership.

### Impacts: High

COVID-19 has disrupted transportation in the following ways:

**Decreased transit ridership:** The imposition of mandated social-distancing measures and remote work to reduce the spread of COVID-19, combined with a staggering number of layoffs and job cuts, has slashed transit ridership drastically.

The San Francisco Bay Area Rapid Transit saw an 86% decrease in ridership in one day after shelter-in-place was ordered. Some agencies — including the Chicago Transit Authority, have responded with extensive service reductions to promote social distancing and to respond to decreased demand. While others — like the Denver Regional Transportation District — have maintained full-load schedules to

accommodate essential workers. With the reduction in ridership, revenue streams have also been disrupted. Some transit agencies have suspended fare collection to reduce contact between operators and passengers. This further disrupts revenue streams and hurts key metrics used by the federal government in the tracking of transit agency success, including the farebox recovery ratio and the cost per vehicle revenue mile. Transit agencies already struggling with budget challenges risk even further financial damage due to this disruption.

### Concerns around employee well-being:

While many government agencies have shifted to a teleworking arrangement, many transit workers are unable to work remotely due to the nature of their jobs. Transit operators, cleaners, customer service agents, and others serve on the front lines and are thus subjected to extreme health risks due to the infection. Instances of transit workers becoming infected have been reported, but the essential service of transportation must continue.

**Staffing challenges:** Transit agencies also face many key staffing challenges due to COVID-19. Some cities — including Birmingham, Ala., and Detroit, Mich., have faced large-scale pushback from drivers and employees and their collective bargaining representation in response to the decisions to continue service at the risk of employee health. Some agencies facing service reductions or decreased ridership now find themselves potentially overstaffed. They must either adjust staffing levels to meet new, lower demand, possibly jeopardizing staff's financial security, or retain and pay excess staff, risking the financial stability of already cash-strapped transit providers.

16. <https://www.kron4.com/news/bay-area/bart-cancels-extra-commute-trains-after-ridership-drops-nearly-90/>

17. <https://www.transitchicago.com/cta-service-reductions-and-layoffs-implemented-today/>

18. [https://www.coloradopolitics.com/coronavirus/rt-d-to-maintain-service-levels-despite-denver-lockdown/article\\_f4f95420-6dca-11ea-bc7d-abb52ea78aed.html](https://www.coloradopolitics.com/coronavirus/rt-d-to-maintain-service-levels-despite-denver-lockdown/article_f4f95420-6dca-11ea-bc7d-abb52ea78aed.html)

19. <https://www.fhwa.dot.gov/policy/2015cpr/pdfs/2015cpr.pdf>

20. <https://www.wtmi3.com/article/some-max-drivers-go-on-strike-over-covid-19-concerns/31895933>

21. <https://www.fox2detroit.com/news/detroit-buses-canceled-tuesday-after-drivers-cite-concerns-over-coronavirus>

## Opportunities: High

COVID-19 creates the following opportunities for transit agencies and departments of transportation to transform state and local transportation:

### **Transformation of fare structure and collection:**

Several transit agencies — including the Detroit Department of Transportation, the primary bus service provider in Detroit, and the Metropolitan Transit Authority of Harris County, the primary transit provider in Houston, Texas, — have suspended fare collection to reduce contact between operators and passengers. This emergency action creates a significant opportunity for agencies to revolutionize their fare structure to increase ridership and usage after the COVID-19 crisis has subsided. In 2019, the Kansas City Area Transportation Authority, the primary transit provider in Kansas City, Mo., announced a plan to make all city buses fare-free, with the goal of reducing dependency on cars and increasing access to transit regardless of income level.

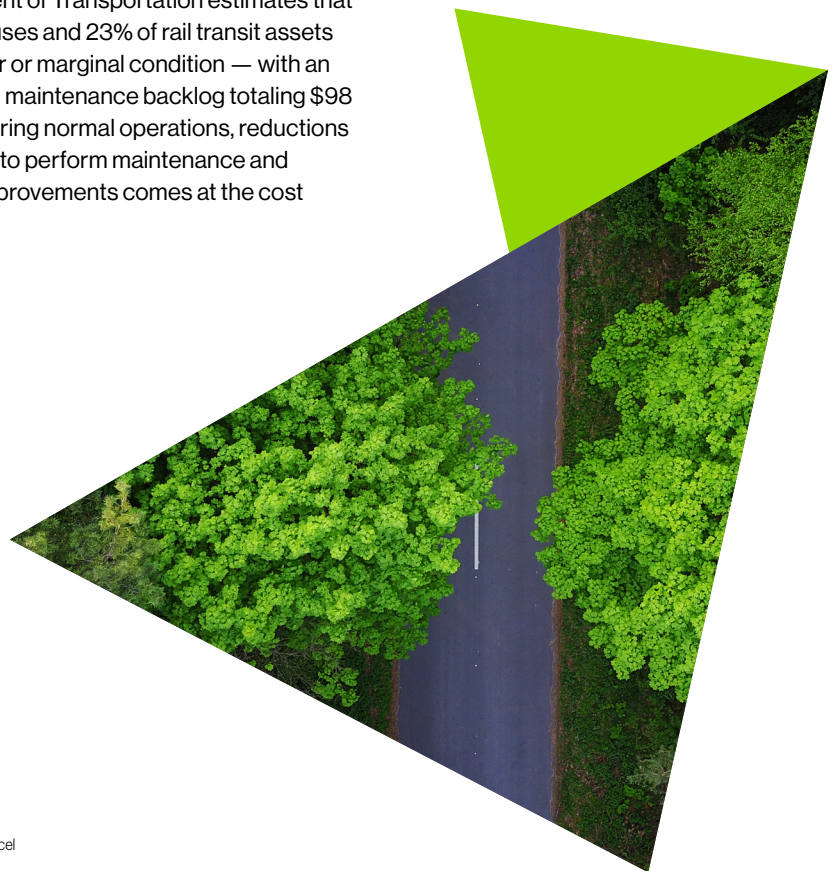
By increasing temporary fare suspensions to combat COVID-19, agencies can investigate the impacts of fare reduction on ridership and accessibility to lower-income populations. This presents an opportunity to implement reduced or eliminated fares in the future, which has the potential to transform the way people interact with their cities and with transit, while ensuring equity and access to transit regardless of income.

Additionally, expenses can be recovered through lower operating costs and the elimination of complex and costly fare collection and enforcement systems, presenting a more sustainable financing structure for transit that does not rely as strongly on farebox recovery.

### **Acceleration of capital improvements and repairs:**

The ongoing reduction in ridership presents transit agencies with an opportunity to conduct rapid repairs and capital improvements without disruption to the lives of commuters. Reducing or temporarily halting service to replace and upgrade infrastructure is beneficial to public health and will allow transit to emerge from this period better positioned to provide for the needs of customers while also assuring smoother and more reliable service. These capital improvements and repairs won't just facilitate better service — in many cases, they're desperately needed. The U.S. Department of Transportation estimates that 40% of buses and 23% of rail transit assets are in poor or marginal condition — with an estimated maintenance backlog totaling \$98 billion. During normal operations, reductions in service to perform maintenance and capital improvements comes at the cost

of customer satisfaction. During a public health crisis, however, decreased service can be both beneficial to fighting disease, and to the health of transportation system assets with increased repairs — assuming proper protections are provided. Once COVID-19 has been brought under control, transit ridership will likely return to its pre-outbreak levels, accentuating the need for capital improvements and repairs. Rather than cutting back to stockpile resources, transit agencies are presented with a unique opportunity to capitalize on existing maintenance and capital improvement budgets, and surplus resources generated by limiting service to accelerate and prioritize upkeep during this time.



22. <https://detroit.curbed.com/2020/3/12/21176549/coronavirus-covid-detroit-ddot-bus-cancel>  
23. <https://www.ridemetro.org/Pages/Coronavirus.aspx>  
24. <https://www.vox.com/the-goods/2019/12/17/21026425/kansas-city-free-bus-system>  
25. <https://www.transit.dot.gov/TAM>



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## 1.3 Criminal Justice

### Summary

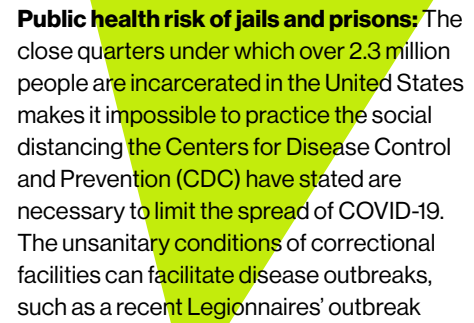
The COVID-19 pandemic has forced state and district courts around the country to shut down and created new challenges for jails and prisons. Jails and prisons invite much public concern about the public health risk of exacerbating the spread of COVID-19 by confining thousands of inmates so close together in ways that make social distancing impossible. Simultaneously, they face challenges around limited staff due to correctional staff taking ill or needing to quarantine and limited sanitization supplies. The pandemic has also pushed correctional facilities to limit inmates' ability to communicate with outsiders, including family and legal counsel. Inmates who are incarcerated at home with an electronic monitoring system potentially face challenges around health and food security, since they aren't allowed to leave the home under house arrest. Yet these numerous challenges create ample opportunity to transform the judicial system.

### Impacts: High

The COVID-19 pandemic has impacted judicial entities in the following ways:

#### **Shutdown of civil and criminal courts:**

Suspension of civil and criminal court operations pause cases indefinitely, potentially exacerbating trial delays and backlogs, and prolong the detention of those who have not been found guilty of anything and have no opportunity to defend themselves. The longer defendants are incarcerated prior to any hearing, the higher the likelihood of a cascading effect that could result in loss of job, home, and family.



**Public health risk of jails and prisons:** The close quarters under which over 2.3 million people are incarcerated in the United States makes it impossible to practice the social distancing the Centers for Disease Control and Prevention (CDC) have stated are necessary to limit the spread of COVID-19. The unsanitary conditions of correctional facilities can facilitate disease outbreaks, such as a recent Legionnaires' outbreak at a federal prison complex in Florida. Legionnaires' disease is a lung infection caused by breathing in contaminated water. Access to soap can be limited, and hand sanitizer is considered contraband in prison due to its alcoholic content. While a spokesman for the Texas prison system clarified that hand sanitizer is now sold on commissary, it is a nonalcohol-based alternative, which is not what the CDC recommends.

#### **Challenges around staffing and supplies:**

The pandemic has heightened the need for sick employees to stay home or quarantine, which could potentially lead to correctional facilities being understaffed. To best fight the spread of COVID-19, jails and prisons should be ensuring access to basic hygienic measures like handwashing, soap, and hand sanitizer, which can be difficult given the current conditions of many correctional facilities and the high demand for hand sanitizer nationally.

**Limited ability among inmates to communicate with visitors:** As correctional facilities suspend in-person visits to limit the spread of COVID-19, not all jails and prisons have replaced that with phone and videoconference visits. In those facilities, inmates are unable to communicate with loved ones and legal counsel.

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26. <https://www.prisonpolicy.org/reports/pie2018.html#dataheader>  
27. <https://www.miamiherald.com/news/special-reports/florida-prisons/article240187477.html>  
28. <https://www.usatoday.com/story/news/investigations/2020/03/07/prison-policies-inmates-best-coronavirus-practices/4978412002/>  
29. <https://www.usatoday.com/story/news/investigations/2020/03/07/prison-policies-inmates-best-coronavirus-practices/4978412002/>

**Risk of lawsuits:** Correctional facilities are experiencing scrutiny for how they respond to the pandemic, especially as they face accusations of violating the constitutional rights of the incarcerated.

- In Washington state, five inmates filed a lawsuit arguing that the Department of Corrections be required to tell the court what safety measures they are implementing in response to the pandemic.
- In New York City, where 30 inmates and 52 staff have tested positive in city jails, the Legal Aid Society has filed two lawsuits seeking the release of people in city jails who are either over the age of 50 or possess underlying conditions that make them especially vulnerable if they contract COVID-19.

## Opportunities: High

The COVID-19 pandemic has created the following opportunities to rethink how governments administer justice in courts, jails, and prisons:

### Create accessibility to videoconferencing and phone calls for the incarcerated:

While in-person visits for the incarcerated are suspended during the pandemic, state and local judicial systems have the opportunity to implement permanent infrastructure to make remote communication such as videoconferencing and phone calls accessible for all inmates. Especially during a pandemic like this, where everybody is worried about their loved ones, it allows inmates to access their rights to stay connected to those they care about as well as their legal counsel.

### Implement videoconferencing for all courtroom participants:

As courts across the country experience indefinite shutdowns due to the need for social distancing, there is a question of how long justice will be delayed.

Investing in procedures and technology that would allow judges, witnesses, jurors, and other courtroom actors to participate in trials and hearings remotely could transform the judicial system.

**Facilitate decarceration:** Downsizing the incarcerated population has been identified as one of the best ways to reduce risk of spreading COVID-19 among both the incarcerated and correctional staff. Increasing bipartisan support for criminal justice reform initiatives to reduce incarceration demonstrates that there is political will to institute such a transformation that could save millions of dollars. For reference, in 2015, the total state expenditure on prisons for 45 states was just under \$43 billion. Some cities and states have already begun to release certain inmates to mitigate the spread of the virus.

- Oklahoma County officials released over 200 nonviolent, low-level offenders from jail to limit the spread of COVID-19 and keep space open for violent offenders. The county's public defender office has increased efforts to identify individuals to safely release, especially those unable to afford bail. As a result, the local sheriff's office described the county jail population as the lowest it's been in years. Jails in California and New York have also started releasing inmates to protect against the COVID-19 threat.
- Kentucky's chief justice is similarly urging state court officials to release jail inmates to avoid disastrous outbreaks.
- Special focus could be placed on releasing those in jail because they could not afford their bond, since that means a judge deemed that they could be safely released, and the only barrier to their freedom was an inability to pay for bond.

Instituting practices to permanently decarcerate jails and release more accused on their own recognizance even after the pandemic ends would be a way for state and local judicial systems to save money while upholding the safety of their communities.

### Halt prosecution for low-level offenses:

Local law enforcement could work with judges and prosecutors to halt new admissions to jails and prisons except for violent offenders.

- The Washington Association of Sheriffs and Police Chiefs released guidance on how to best manage jails during COVID-19 that included recommendations to work with prosecutors and judges to create lists of people that they could release on their own recognizance and implement alternatives to arrest for certain crimes.
- The Baltimore state's attorney has halted prosecution for all drug, prostitution, and even public urination offenses, and joined 30 other state's attorneys, district attorneys, and attorneys general from across the U.S. to call prosecutors to cease indictments and release inmates deemed nonthreatening to society. This includes those charged with low-level crimes such as drug offenses, shoplifting, driving without a license, and many who have not yet been convicted of anything.

### Loosen movement restrictions under the electronic monitoring system:

Counties like Cook County in Illinois have designed electronic monitoring programs to ease overcrowding in correctional facilities and allow pretrial and short-term-sentenced inmates to remain in the community instead of being incarcerated in jail. Typically, inmates in this program would have to file movement requests, including for medical appointments. The pandemic creates an opportunity to loosen movement restrictions to guarantee participants have access to healthcare and grocery stores, and potential to redesign or streamline the process around filing movement requests going forward.

30. <https://www.thenewtribune.com/news/local/article241439246.html>

31. <https://nypost.com/2020/03/24/group-files-second-lawsuit-to-release-coronavirus-endangered-inmates/>

32. <https://ejournal.com/news/bipartisan-support-criminal-justice-reform-still-strong/>

33. <https://ejournal.com/news/bipartisan-support-criminal-justice-reform-still-strong/>

34. <https://oklahoman.com/article/5658504/coronavirus-in-oklahoma-over-200-non-violent-offenders-released-from-oklahoma-county-jail-to-limit-covid-19-spread>

35. <https://www.npr.org/2020/03/23/818581064/prisons-and-jails-change-policies-to-address-coronavirus-threat-behind-bars>; <https://thehill.com/homenews/state-watch/489372-new-york-to-release-300-nonviolent-rikers-inmates-amid-pandemic>

36. <https://www.kentucky.com/news/coronavirus/article241428266.html>

37. <https://waspc.memberclicks.net/assets/docs/suggestions%20for%20jails%20%203.5.20.pdf>

38. <https://www.citylab.com/equity/2020/03/city-jails-covid-19-prosecutors-new-orleans-baltimore/608296/>

39. <https://www.cookcountysheriff.org/cook-county-department-of-corrections/electronic-monitoring-program-placement/>

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## 1.4 K-12 Education

### Summary

The COVID-19 pandemic has caused unprecedented disruption to K-12 education, forcing school closures, posing risks to students' learning and educational outcomes, threatening school staff's economic stability, and exacerbating the homelessness and food insecurity some students face. Yet, these challenges also present opportunities to pilot, trial, and implement distance learning infrastructure and protocols, and address food insecurity in the longer term.

### Impacts: High

COVID-19 has disrupted K-12 schooling in the following ways:

**School closures:** As of March 23, 2020, 46 states have decided to close schools. Including district closures in other states, at least 123,000 public and private schools have closed temporarily or are scheduled to close. These closures create disruptions in everyday learning for at least 54.8 million school students. Some, but not all, schools and districts have plans in place to offer virtual instruction.

**Widening achievement gap:** In education, the achievement gap refers to the disparity in academic performance between different groups of students, often related to race and socioeconomic status. Students who are already achieving below grade level risk falling even further behind during this time. Canceled class means students lack guidance and resources for support on take-home lessons and assignments. The ability for parents to home-school their children and supplement these educational losses can vary widely.

**School staff's economic stability:** While all 10 of America's largest school districts have said they will continue to pay teachers and many other staffers while schools are closed, not all school staff are guaranteed that same security. Hourly workers, including bus drivers, custodians, food service employees, and paraprofessionals who help in classrooms, are typically only paid for days when students are present, and are especially vulnerable. Substitutes without regular assignments are also vulnerable to unexpectedly losing their incomes.

**Food insecurity:** Research shows that when schools close for prolonged periods of time, including summer, rates of food insecurity increase. Almost 30 million children benefit from the National School Lunch Program. While the Department of Agriculture has provided waivers allowing K-12 students to access to-go meals at designated locations if their schools are shut down, the waiver only applies to locations that have already been designated for summer meal programs.

### Opportunities: High

COVID-19 creates the following opportunities for school districts and departments of education to transform K-12 education:

**Establish infrastructure and procedures for distance learning:** Some large urban districts like New York City are designing plans for distance learning that prioritize their most vulnerable students, largely because most of their student population includes students who are low-income, learning English, living in homeless shelters, or who have disabilities. Other districts will need support in how to navigate that, especially since districts will need to guarantee that their students have access to digital devices and internet access. Companies like AT&T

40. <https://www.edweek.org/ew/section/multimedia/map-coronavirus-and-school-closures.html>

41. <https://chalkbeat.org/posts/us/2020/03/17/teacher-pay-coronavirus-substitutes/>

42. <https://thehill.com/blogs/congress-blog/politics/488055-what-coronavirus-means-for-food-insecurity>

43. <https://thehill.com/blogs/congress-blog/politics/488055-what-coronavirus-means-for-food-insecurity>

44. <https://www.fns.usda.gov/disaster/pandemic/covid-19>



and Comcast are offering Wi-Fi hotspots for free to anyone for 60 days, while Boston Public Schools bought 20,000 Chromebooks to support families in need.

Kentucky's largest district, Jefferson County Public Schools, has opted to forgo online learning due to an inability to provide digital devices and internet access to the most-disadvantaged students in their 98,000-student district, and instead plan to make up missed days.

Federal law requires people with disabilities to have an equal opportunity to participate in everything schools provide. Districts that fail to accommodate students risk losing federal aid and may face complaints from parents and advocates for violating federal civil rights laws.

Districts will need support as they navigate state and federal mandates around equity to create distance learning plans and procedures that will benefit all students. How they structure these plans will have a ripple effect on the achievement of their students and creates opportunities to incorporate distance learning in future crises as well as in everyday learning.

### **Distributing meals and food supply**

**kits:** While some schools and districts are currently offering free meals for pickup during the closure, a meal or two offers only a temporary solution to longer-term food insecurity. The current pandemic allows local governments to rethink their meal assistance programs, not only during the ongoing crisis, but during other prolonged school breaks such as summer, when food insecurity spikes. They can also consider incorporating mobility aspects into the program, such as Meals on Wheels, which delivers food weekly to homebound senior citizens.

Social science professor and food insecurity expert Daphne Hernandez recommends distributing two-week emergency supply food kits, ideally prior to school closings and disasters. The San Antonio Food Bank, for example, is distributing COVID-19 preparedness kits with a 14-day supply of nonperishable foods, including canned vegetables, beans, rice, soup, hand sanitizer, diapers, and pet food.

45. <https://www.boston.com/news/local-news/2020/03/17/internet-access-coronavirus-massachusetts>  
46. <https://www.usatoday.com/story/news/education/2020/03/19/coronavirus-online-school-closing-special-education-teacher-distance-learning/2863503001>  
47. <https://thehill.com/blogs/congress-blog/politics/488055-what-coronavirus-means-for-food-insecurity>  
48. <https://www.sacurrent.com/Flavor/archives/2020/03/05/san-antonio-food-bank-launches-coronavirus-preparedness-kits-for-low-income-households>

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## 1.5 Human Services

### Summary

The negative economic effects of the COVID-19 pandemic have heightened the public's need for human services and the government agencies that administer it. Particularly, the pandemic has created a higher risk of food insecurity, resulting in the need for meal delivery and nutritional assistance programs, and more flexibility in government guidelines for verifying welfare eligibility. Yet, these conditions have also created opportunities for departments of human services to modernize welfare administration. This includes adopting permanent measures that increase flexibility and make welfare more accessible altogether.

### Impacts: Medium

The COVID-19 pandemic has affected human services in the following ways:

**Increased food insecurity:** Between school closures and job losses, many more Americans will find themselves battling food insecurity during the pandemic. They will need meal delivery and nutritional assistance programs, as well as ways to apply for welfare benefits like the Supplemental Nutrition Assistance Program (SNAP).

**More flexibility for verifying welfare eligibility and collecting welfare:** For the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Families First Coronavirus Response Act of 2020 (FFCRA) gives the U.S. Department of Agriculture (USDA) authority to grant physical presence waivers to states. This allows states to temporarily abandon the requirement that participants and applicants

physically come into the clinic to enroll or re-enroll. FFCRA also includes Remote Benefit Issuance Waivers for WIC, allowing participants to access benefits remotely instead of having to pick it up in person per typical guidelines. FFCRA has also instituted flexibility for SNAP quality-control interviews, allowing states to conduct telephone interviews in lieu of face-to-face interviews and allowed for the issuance of emergency allotments.

### Opportunities: High

The COVID-19 pandemic has demonstrated what the future of human services could look like, even beyond a pandemic, including opportunities for the following:

**Preserving flexibility measures for welfare:** The pandemic has revealed federal and state entities' ability to administer welfare benefits remotely. Maintaining this type of flexibility can be the future of welfare and human services. Permanent flexibility in determining welfare eligibility and distributing welfare benefits makes welfare much more accessible. Those who most need welfare may be unable to enroll in welfare in person due to their health, work schedules, or need to secure child care. The Brookings Institution finds that older adults participate in SNAP at about half the rate of all eligible populations. While USDA has begun exploring initiatives to make welfare more flexible, it is not enough. A recent SNAP Online Purchasing Pilot that allows SNAP recipients to order eligible food online is only available in five states at limited retailers. Making welfare more accessible will serve to make the programs more effective.

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49. <https://www.fns.usda.gov/disaster/pandemic/covid-19>

50. <https://www.fns.usda.gov/disaster/pandemic/covid-19>

51. <https://www.fns.usda.gov/disaster/pandemic/covid-19>

52. <https://www.brookings.edu/blog/the-avenue/2020/03/16/for-millions-of-low-income-seniors-coronavirus-is-a-food-security-issue/>

53. <https://www.fns.usda.gov/snap/online-purchasing-pilot>

## 1.6 Secretary of State

### Summary

While the functions of the Secretary of State's office can vary widely across states, the duties can include supervising elections, managing state records, and issuing drivers' licenses and motor vehicle registration. Many of these functions are being disrupted, with election primaries being postponed and polling places changed at the last minute to avoid senior centers and department of motor vehicles (DMVs) transitioning to conducting business online. Opportunity exists to modernize many of these functions and make information about how to vote, apply for a license, or make state records more accessible and transparent.

### Impacts: Medium

The COVID-19 pandemic and the subsequent closure of many government agencies has challenged the functions of Secretary of State's offices in the following ways:

**Election disruptions:** COVID-19 has disrupted this year's presidential primaries, with states like Louisiana, Georgia, Ohio, and Maryland pushing back their originally scheduled primaries. While postponement creates concerns that the pandemic could disrupt later primaries and ultimately the Democratic National Convention, which has been postponed until August, states like Illinois, Arizona, and Florida, which opted to proceed with originally scheduled primaries, also faced obstacles. The majority of poll workers are between 60 and 80 years old, constituting a population that is particularly vulnerable to COVID-19. Anxieties about public health and safety prompted many

poll workers to stay home, and potentially depressed voter turnout. While 2020 turnout in Florida and Arizona was higher than in the presidential primary in 2016, Illinois suffered lower voter turnout and a shortage of poll workers.

**Challenges around licenses, ID cards, and vehicle registrations:** The pandemic is largely shuttering driver service facilities and departments of motor vehicles that manage driver's licenses, learning permits, ID cards including REAL ID, vehicle registrations, and other similar transactions. In response, these agencies are automatically extending expiration dates on these documents. Some states offer some services online; for example, Nevada offers online services such as renewing your vehicle registration.

### Opportunities: High

The COVID-19 pandemic creates opportunities for state and local governments to transform voting and driver services:

**Early voting and vote-by-mail:** While in-person voter turnout did drop in all states that opted to hold their primaries while the CDC called for social distancing (Florida, Georgia, and Illinois), the drop was largely offset in Florida and Georgia by the increase in vote-by-mail and early voting in-person. Expanding both in-person early voting and voting by mail are measures that would help facilitate the democratic process while protecting public health during upcoming

primaries and potentially the general election. In 2018, some 37 states and the District of Columbia offered some form of early voting. Measures such as allowing any citizen to vote by mail without requiring a pre-approved reason and expanding early-voting polling sites and hours are just some of the ways to mitigate the possibility of long lines and large gatherings of people on Election Day.

**ID and online driver services:** Some DMVs have begun modernizing their driver services. In 2018, Colorado finished implementing a system called DRIVES, making it the only DMV to run as a software as a service. Yet not all state attempts to modernize their DMVs have succeeded; in 2012, New Mexico shut down a modernization project that had cost \$5 million. The pandemic reminds states that technology is becoming more deeply embedded in our society. The public will increasingly expect governments to offer services remotely instead of requiring everything to be done in person.

54. <https://www.pbs.org/newshour/politics/how-postponing-primaries-for-covid-19-could-complicate-the-2020-race>  
55. <https://www.pbs.org/newshour/politics/how-postponing-primaries-for-covid-19-could-complicate-the-2020-race>  
56. <https://www.vox.com/2020/3/18/21184957/vote-by-mail-tuesday-primaries-turnout-florida-illinois-arizona>  
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59. <https://www.govtech.com/computing/Redemption-for-the-DMV.html>  
60. <https://www.govtech.com/computing/Redemption-for-the-DMV.html>

## 1.7 Public Works

### Summary

While the COVID-19 crisis has unfolded rapidly in other areas of government with large and looming impacts, the risks and opportunities facing public works departments are much more subtle. Changing behaviors associated with remote work and people staying home can and will have impacts on public works systems, and the threats facing those employees on the front lines — garbage collectors, meter readers, sewage employees, and others — are compounded by the additional threat of disease. Mitigating these risks and ensuring that consistent public services continue regardless of a changing world will be crucial to ensuring that departments of public works can capitalize on the threats posed here to emerge stronger.

### Impacts: Medium

COVID-19 has disrupted public works in the following ways:

**Sewage system failures:** As more workers transition to remote work and practice social distancing, the needs of local wastewater management systems change drastically. Many municipalities have reported increased sewage system backups and failures due to increased disposal of “flushable” cleaning products, brought on by panic buying of toilet paper and increased emphasis on sanitization. Sewage clogs cost cities millions of dollars a year — one year in New York City alone cost almost \$5 million. These clogs pose significant risks to public health and orderly sewage operations, in addition to their costly price tag. Especially during times of nationwide struggle, the need for reliable public services is critical.

**Water access restoration:** In response to the increased need for populations to stay indoors and practice good hygiene, many

public water utilities have either placed a moratorium on service disruptions or in some cases have restored service to delinquent accounts for the duration of the crisis. Access to water is critical to sustain human life, and the COVID-19 crisis, combined with the ensuing unemployment and economic fallout, poses a significant risk to individuals’ ability to pay for water. This forces state and local leaders to decide whether to disrupt service, potentially endangering public health, or to jeopardize revenues of city governments and water authorities.

### Increased risks to essential public works

**workers:** Front-line workers servicing the community face increased danger in doing their jobs. Refuse collection is significantly impacted, as it places individuals in direct contact with waste produced by thousands of different residents. Pittsburgh faced an unprecedented service disruption when trash collectors refused to work, alleging inadequate protections and pay, given the outbreak. From both the perspectives of employee wellness and satisfaction and public service continuity, minimizing the risk to public works employees is critical.

### Opportunities: High

COVID-19 creates the following opportunities for departments of public works to emerge stronger and more prepared:

### Transformation of public works

**infrastructure:** One of the unique opportunities presented by this crisis is the chance to transform the very infrastructure that cities rely on. Smart sewers — systems that can sense and report flow, blockages, and other key data via internet connection to public works staff — are increasingly popular among municipal sewage authorities, who



will be able to use the received data to best plan and be deployed to problematic pipes, improving service for all.

### Implementation of water assistance

**programs:** The inability to afford water is a crisis that affects people in every city and state. Utilities and public works departments disconnect water service for more than 500,000 households annually. Some cities have already implemented water assistance programs; however, significant numbers of people who are recently unemployed or experiencing enduring financial challenges may not be able to access these programs for various reasons — including complex applications, long-term poverty requirements, or general lack of knowledge in the community. Implementing further assistance — while streamlining and easing acceptance requirements — will empower residents and provide water to the communities that need it most. In the coming months, many will struggle to afford water, making the current crisis and demand for restored water access an opportunity for public works departments to solve the pressing issue of water access.

### Greater worker protections for public

**works employees:** Public works employees are on the front lines of the fight against outbreaks and face the risks when dealing with refuse and wastewater. Identifying and instituting protections for workers — from personal protective equipment to improved sick leave policies — will benefit municipalities long after the COVID-19 outbreak has subsided.

61. <https://www.nytimes.com/2020/03/21/us/flushable-wipes-clog.html>

62. [https://www.nytimes.com/2014/02/15/nyregion/new-york-tries-to-clear-its-sewers-of-fog-fat-oil-and-grease.html?\\_r=0](https://www.nytimes.com/2014/02/15/nyregion/new-york-tries-to-clear-its-sewers-of-fog-fat-oil-and-grease.html?_r=0)

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66. <https://www.kcwater.us/programs/ocp/>

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## 1.8 Housing

### Summary

The COVID-19 pandemic has resulted in negative economic effects, including unemployment and underemployment, which threaten households' abilities to pay their rent and mortgages. Job losses and depressed tax revenues from the pandemic could create an even greater need for affordable housing at a time when governments' resources are already constrained. Public housing authorities will also face pressure to manage risk of any outbreaks in public housing, as well as unpaid rent. This crisis creates an opportunity for state and local governments to consider solutions to affordable housing, as well as how to administer public housing and housing benefits remotely, where possible.

### Impacts: High

COVID-19 has affected housing in the following ways:

**Greater inability to pay rent, mortgages, and utilities:** Cities and states are already engaging various housing security strategies, such as eviction freezes, foreclosure pauses, and utility shut-off deferrals, in response to residents' increased inability to pay rent, mortgages, and utilities, and the need for social distance. In the U.S., almost 90 cities and states have stopped shutting off people's water utilities, even if they can't afford to pay their bills. Detroit has even restored water access to tens of thousands of residents whose taps had previously been shut off because of debt. The Los Angeles mayor issued an executive order to halt evictions for struggling tenants, with rent due six months after the state of emergency ends.

**Cost to public housing authorities:** The executive director of the Council of Large Public Housing Authorities estimates that the pandemic will cost public housing authorities an estimated \$5 billion. This is partially due to a significant reduction in rental income from tenants experiencing job losses and large expenses around cleaning and disinfecting

their properties to reduce the risk of an outbreak. Their workforce is reduced due to those who need to quarantine, who lack child care, or constitute a high-risk category. Housing authority populations include many elderly and disabled tenants who require accommodations like meal delivery.

### Opportunities: Medium

COVID-19 creates the following opportunities for governments to approach issues of housing:

**Rethink strategy to create more affordable housing:** As state and local government budgets experience more pressure, some lawmakers suggest that states fund affordable housing outside of existing tax revenue.

For example, a California assemblyman proposed setting new tax revenue resulting from eliminating tax deductions for mortgage interest on second homes to fund shelters, permanent supportive housing, and other homelessness services. He also recommends taking advantage of an economic recession to build affordable housing, and trying to build affordable housing counter-cyclically to the housing boom and bust cycle.

Governments should also consider redirecting additional funds to public housing authorities, many of whom have struggled with underfunding prior to this pandemic.

**Administer public housing benefits digitally:** Local mandates to shelter-in-place present a good opportunity to examine the process for applying for public housing and housing choice vouchers. It also pushes agencies to explore how websites can be modernized and transformed to make information easily accessible without having to call your local housing authority. Currently, public housing authorities are experiencing long call wait times because of reduced workforces and modified office hours.

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70. <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2020/03/19/coronavirus-and-the-states-expanded-testing-means-more-cases-and-more>

71. <https://www.sfchronicle.com/politics/article/Californians-home-mortgage-deduction-would-be-14960585.php>



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## 1.9 Higher Education

### Summary

The COVID-19 pandemic has disrupted higher education, forcing many colleges and universities to transition to distance learning for their final quarter or semester of the year and move students out of campus housing in a short time frame. Depending on how long the pandemic and travel restrictions extend, public universities may experience decreased revenue from out-of-state and international students who may not be able to or may be discouraged from enrolling. Some of the opportunities in higher education revolve around using this moment to consider the viability of distance learning in higher education and extending options to participate in a class remotely, even after the pandemic subsides. The pandemic also forces researchers to rethink how research is conducted and focus on what can be done remotely and make sure that infrastructure is in place.

### Impacts: High

The COVID-19 pandemic has impacted higher education in the following ways:

#### **Forced transition to distance learning:**

Colleges and universities have transitioned their last semesters and quarters to online, requiring adjustment from instructors and students who were not prepared for this development. Instructors are now having to account for time zones and students' access to technology.

#### **Housing and job security for students:**

In Temple University's annual survey of college students, the 2019 results revealed that about half of all two-year students and almost one-third of four-year college students experienced housing insecurity, food insecurity, or both. For students who rely on their schools for housing and employment, many are struggling with how to respond to

emergency edicts to leave campus. While some campuses have emergency funds to support those students, each institution is handling those situations differently and potentially leaving many students vulnerable.

**Suspension of most research:** Shelter-in-place orders and the severity of the pandemic are pushing universities to scale down and largely suspend research. Universities are now tasked with enforcing their policy that any research not relating to COVID-19 needs to be conducted remotely and off-campus. Researchers must manage this hurdle while also accounting for looming funding deadlines, some of which are offering blanket extensions and some which require more rigorous justification.

**Decreased enrollment:** Many American colleges and universities are increasingly enrolling large numbers of students from abroad, including countries that have been hit hard by COVID-19. In fact, between 2000 and 2015, the number of first-year international undergraduate students nearly doubled; almost one-third of those students came from China. The effect of COVID-19 as well as travel restrictions are poised to decrease enrollment, especially if the pandemic extends into the summer. Even before the COVID-19 pandemic, universities noticed a drop in international enrollment, potentially due to the current political climate in the U.S., higher costs of higher education, and increased alternatives in other countries. Institutions like the University of Illinois have purchased an insurance policy that will pay out upward of \$60 million, depending on the decline in Chinese student revenue over a three-year period. Given the pandemic's possibility to affect student enrollment, higher education institutions must manage their finances accordingly.

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73. <https://www.washingtonpost.com/education/2020/03/21/major-universities-suspend-most-lab-research-not-into-coronavirus/>  
74. <https://www.insidehighered.com/views/2020/03/05/should-institutions-take-out-insurance-response-coronavirus-opinion>  
75. <https://www.insidehighered.com/views/2020/03/05/should-institutions-take-out-insurance-response-coronavirus-opinion>

## Opportunities: Medium

The COVID-19 pandemic creates opportunities around distance learning and enrollment. If executed correctly, they can offset some of the financial challenges higher education institutions have been facing in recent years, which will only be exacerbated by COVID-19:

### **Investing in distance learning long-term:**

Although many universities and colleges are temporarily adopting distance learning out of necessity, now is a good opportunity for an institution to develop their distance learning capabilities and consider permanently adding or expanding their catalog of online classes and certificates. Enrollment in higher education tends to increase during a recession as opportunity

cost decreases, and institutions can capitalize on that by offering online classes that are much more accessible and available. For this type of initiative to be successful, institutions will need to understand their faculty and staff's willingness to migrate to digital platforms, as well as the demographics of their desired audience.

### **Rethinking strategy around enrollment and research:**

Beyond exploring the added value of offering distance learning courses, higher ed institutions have ample room to think about boosting enrollment in the wake of the pandemic. They can also explore insurance policies like that used by the University of Illinois to protect against declining enrollment. For many universities, the research they do is as important as teaching. It will behoove these institutions to build research management infrastructure that will guarantee that they can finish their work remotely during future crises, while also offering their researchers more flexibility to be successful.



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## 1.10 Tourism

### Summary

The need for social distancing as well as travel restrictions to protect against the COVID-19 pandemic has largely halted tourism, even in major destinations like New York and Los Angeles. This provides an opportunity and even a necessity for cities, especially smaller towns, to plan campaigns to encourage tourism, especially as some cities take longer to recover from the effects of the pandemic.

### Impacts: High

COVID-19 has largely discouraged tourism and hurt the travel and tourism industry:

#### **Closed tourist attractions and dining establishments:**

Tourist attractions, landmarks, and arts and culture institutions are closed, while restaurants and bars are largely closed to dine-in customers. This is especially felt in small towns that rely heavily on local tourism. Galena, Ill., saw \$204 million worth of spending in 2018, and local businesses estimate that 75% of their business comes from tourism.

**Challenges for travel industry:** The travel and hospitality industries are feeling the pressure of declining travel and tourism amidst a global pandemic. Airlines have reduced their flights because of COVID-19, as more countries close their borders to try to limit the pandemic. On March 23, American Airlines canceled 40% of its flights, with the remaining operating flights largely empty. As travel demand continues to plummet, it's possible that airlines might suspend domestic passenger flights altogether. At the same time, hotels are closing to protect from the pandemic, or seeing many fewer guests.

### Opportunities: Medium

The hardships that the tourism industries are facing leave opportunities for cities and states to rethink their tourism strategies:

**Rethinking tourism campaigns:** When the pandemic draws to a close, states and municipalities will want to convince the public that it is safe for them to visit and that everything is business as usual. This is especially true in places where COVID-19 outbreaks have been especially concentrated, such as New York, which is currently leading in number of cases and fatalities among all states. As closures continue, some artists and organizations have already begun to explore virtual events, including livestreamed concerts, open mics, and performances. Some museums have already started leveraging the digital sphere with virtual tours. Cities and states can follow these cues and explore virtual tourism to market to potential visitors and build brand loyalty.

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## 1.11 Labor and Workforce

### Summary

The economic repercussions of COVID-19 largely affect the workforce as many find themselves underemployed or unemployed. Given the dramatic rise in unemployment, departments of labor will have opportunities to modernize their unemployment process.

### Impacts: High

As COVID-19 stalls the economy, the American workforce is deeply impacted:

**Unemployment claims spike:** On March 26, the U.S. Department of Labor (DOL) reported a record-breaking 3.3 million new unemployment insurance claims. Experts estimate that this is a significant undercount, as many states have reported their systems for processing unemployment claims have crashed due to this unprecedented volume. The New York State Department of Labor received 1.7 million calls, but the DOL reported that only 80,334 New Yorkers applied for benefits. As states maintain shelter-in-place orders and keep restaurants and bars closed to dine-in customers, it is possible that many more will file for unemployment in the coming weeks.

### Opportunities: Medium

Labor agency's challenges in processing unemployment claims demonstrate an opportunity to modernize unemployment claims processing:

### Modernize unemployment claims

**processing:** States are struggling to field hundreds of thousands of calls from the public. The California governor reported that the state received over 1 million claims in the past week, but the DOL only reported 186,809 new claims. There is ample opportunity to upgrade the infrastructure and technology around processing unemployment to avoid service disruptions and help all those who are eligible and need unemployment benefits.

80. <https://www.politico.com/news/2020/03/26/record-breaking-unemployment-claims-may-be-vast-undercount-150417>

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# 1.12 Public Safety

## Summary

The COVID-19 outbreak has created unique challenges for public safety agencies — making their already difficult mission even more challenging. Major cities across the country are facing waves of police officers, firefighters, and emergency medical services workers either becoming infected, needing to quarantine, or calling in sick out of concern for their own health. In some cities, up to 10% of public safety forces have been sidelined. Maintaining public safety and ensuring response times remain within national guidelines is critical, but officials risk exposure to virus on every call and with every public interaction. However, despite these risks, the COVID-19 crisis presents a unique set of opportunities to city and state public safety officials, setting them up to emerge stronger and more prepared than ever before.

## Impacts: Medium

COVID-19 has affected public safety in the following ways

**Staffing challenges:** Skyrocketing numbers of public safety officials being quarantined or calling in sick due to the outbreak has exposed a critical impact to our nation's public safety systems. In one day in New York City, over 200 officers tested positive for COVID-19, removing them and anyone they had contact with from service for a significant amount of time. Even absent a global pandemic, police departments across America are experiencing declining numbers of officers and recruits, which can be attributed to diminishing pay, high risk, and recent damage to the profession's reputation.

**Changes in police operations to enforce public health:** The COVID-19 crisis is also impacting police operations. Police departments like the Los Angeles Police Department are closing their front desk and walk-in operations to reduce potential for spreading COVID-19. Police departments such as those in Arlington County, Va.,

Ann Arbor, Mich., and Syracuse, N.Y., have suspended responses to nonemergency calls and nonviolent crime to reduce the risk of community spread. These measures pose a significant threat to continued public safety.

## Opportunities: Medium

The COVID-19 outbreak presents public safety officials with the following opportunities:

**Leveraging public safety agencies to advocate for public health:** Both public health and public safety agencies should prioritize the well-being and safety of the communities they serve. The COVID-19 outbreak has presented an opportunity for public safety to serve in a public health role. States are under shelter-in-place orders that will ultimately be enforced by local law enforcement. Now is a prime opportunity for police to use education and information to convince community members to stay inside, rather than threatening individuals with tickets and jail. Police departments can also offer Emergency Medical Service (EMS) training to their officers, especially given the shortage of volunteer EMS workers for ambulances in rural America. By empowering the entire public safety community to better respond to public health emergencies, officials can also serve as caretakers to the most vulnerable in society — reducing risk of exposure in the short run but transforming the role of public safety into an all-encompassing community care force moving forward.



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84. <https://www.politico.com/states/new-york/albany/story/2020/03/25/thousands-of-nypd-officers-out-sick-amid-coronavirus-crisis-1268960>  
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89. <https://www.nbcnews.com/health/health-care/there-s-shortage-volunteer-ems-workers-ambulances-rural-america-n1068556>

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## 1.13 Taxation, Revenue, and Budget

### Summary

The economic effects of COVID-19 in the form of unemployment and shelter-in-place orders are likely to depress tax revenue. In preparation for this, the deadline to file taxes has been pushed to July 15, taxpayer assistance and preparation services typically provided by government agencies are limited or nonexistent, and there will likely be potential changes in tax policy resulting from legislative bills being passed to alleviate the economic effects of the pandemic on individuals and small businesses. The current pandemic creates opportunities to develop the infrastructure for agencies around taxation, revenue, and budget to work remotely, including modernizing the taxpayer assistance program.

### Impacts: Medium

The COVID-19 pandemic has impacted areas of taxation, revenue, and budget in the following ways:

**Delayed deadline to file taxes:** Due to the pandemic, the Treasury Department pushed the deadline to file taxes to July 15, with many states following suit. Other guidance from the department allows for the deferral of federal income tax: up to \$1 million for individuals and noncorporate tax filers and up to \$10 million for corporate taxpayers.

**Halted government-provided taxpayer assistance and preparation services:**

To prevent the spread of the virus, many government agencies are operating at reduced staffing levels, while some are closed to the public. This limits taxpayer

assistance resources for the public. At the Illinois Department of Revenue, for example, taxpayer assistance phone system agents are not available, and many free tax preparation services throughout the state are suspended.

**Potential changes in tax policy to mitigate economic effects of pandemic:**

It is very likely that both state and federal legislatures will pass bills amending the tax policy to try to mitigate the economic impact of COVID-19. While those are still being determined, it is understood that tax revenue will likely decline given that restaurants and bars are largely closed for dine-in meals, and many states are under shelter-in-place orders that will discourage spending.

### Opportunities: Medium

The pandemic demonstrates opportunities for departments of revenue, tax, and budget to revolutionize the ways they interact with the public:

**Modernize taxpayer assistance:** As government agencies are forced to drastically reduce or shutter in-person operations, now is a good opportunity to upgrade agency's technologies and processes so that government workers can continue to support the public remotely. In the area of tax and revenue, departments of revenue could benefit from creating infrastructure for taxpayer assistance agents to be reachable even if they are not in the office.

90. <https://www.npr.org/sections/coronavirus-live-updates/2020/03/20/818898752/tax-deadline-extended-to-july-15-over-coronavirus-pandemic>  
91. <https://www.npr.org/sections/coronavirus-live-updates/2020/03/20/818898752/tax-deadline-extended-to-july-15-over-coronavirus-pandemic>  
92. <https://www2.illinois.gov/rev/Pages/Taxpayer-Resources-during-COVID-19-%28Coronavirus%29-Outbreak.aspx>

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## 1.14 Medicare and Medicaid

### Summary

The health risks brought on by the COVID-19 outbreak has significantly impacted the public healthcare system in America. For states, administering Medicare and Medicaid will present many challenges. For those 65 and older, and thus eligible for Medicare, the impacts of COVID-19 are significantly higher and those higher costs associated with extensive treatment will eventually make their way back to Medicare administrators. For Medicaid administrators, the influx of unemployed workers will likely lead to a flood of applications for coverage, especially considering the elevated health risks due to the outbreak. Quickly and accurately processing this influx is critical to providing exceptional service to citizens, while also safeguarding employees of state Medicare and Medicaid agencies.

### Impacts: Medium

COVID-19 has affected state Medicare and Medicaid in the following ways:

**Increased applications for Medicaid:** The looming economic troubles associated with the outbreak have led to millions of job cuts in every sector and in every state and city. While Medicaid isn't inherently attached to one's employment status, the general economic slowdown will inevitably push more individuals into the category of qualifying for Medicaid. States will likely face increased volumes of applications, and inquiries related to Medicaid, which states may not be prepared to handle, especially with most staff working remotely.



### Opportunities: Medium

COVID-19 creates the following opportunities for state and local Medicare and Medicaid administrators:

**Remote application and administration of benefits:** One of the biggest effects of the COVID-19 crisis is the necessity of conducting business remotely. States have a significant chance to implement paperless applications, limit contact between employees and applicants, and to improve enrollment procedures across all facets of the healthcare administration arena. This, combined with more remote work options for staff, will simplify workloads.

**Streamlined application and claims processes:** With an increase in healthcare costs related to the outbreak, and an increase in applications for Medicaid, healthcare administrators should use this as an opportunity to streamline processing of claims and new registrants. Time is critical right now for the purposes of fighting the outbreak, but process automation and streamlining can have a lasting positive impact on state healthcare administration.

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## 1.15 Arts and Cultural Affairs

### Summary

Arts and cultural events — including museums, theater and the performing arts, and sporting events — have been postponed indefinitely, canceled, or even rescheduled until next year. The Summer Olympics slated to be held in Tokyo in summer 2020 have been postponed to 2021. Artists and arts institutions especially are feeling the economic effects of these cancellations and suspensions. Some local departments of arts and cultural affairs are exploring financial supports for the sector as the pandemic continues.

### Impacts: High

COVID-19 has disrupted arts and cultural affairs in the following ways:

**Canceled events:** The need for social distancing has effectively shut down the arts industry, including theater, dance, opera, museums, concerts, and other exhibitions. Many of these have been in planning for a year or more and were expected to bring in significant revenue to the organizers and institutions. Indefinite postponement and cancellations have hit many of these institutions hard financially.

**Economic hardship for artists and artistic institutions:** As the pandemic exacerbates budgetary and operational issues for some artistic institutions, that financial pressure trickles down to their employees and artists. The Museum of Contemporary Art in Los Angeles has laid off all 97 of its part-time employees for the foreseeable future, representing cuts to 50% of the staff. The Metropolitan Opera in New York, which has

the largest budget of any performing arts organization in the United States, has laid off all of its union employees for the duration of the COVID-19 crisis, including orchestral players, chorus singers, and stagehands.

### Opportunities: Low

While this pandemic has put artistic industries in dire straits, it creates an opportunity to think about how to facilitate, and potentially monetize, art and cultural events in a digital space. While local and state governments strategize on how to financially support artist and other gig economy employees, they can also play a role as a trusted broker and fundraiser between the public that wants to support artists and artists who need support.

**Creative, digital manifestations of art and cultural affairs:** Various arts events that were originally scheduled to take place in person but have been canceled due to COVID-19 will continue online via websites and livestreaming. These include the Copenhagen International Documentary Film Festival, the Ann Arbor Film Festival, and the Saint Paul Art Crawl. The Metropolitan Opera is offering free opera livestreams, and musicians are playing Facebook Live concerts to raise money and awareness for different charitable causes, including ones in response to COVID-19. While this crisis pushes arts institutions to think about their viability, COVID-19 also reveals opportunities to pursue when business as usual resumes. Increasing their focus on making the arts accessible creates a potential new base of members and donors to support their work. This includes members of the public who previously may have limited interactions with the arts and these arts institutions.

94. [https://www.espn.com/olympics/story/\\_/id/28946033/tokyo-olympics-officially-postponed-2021](https://www.espn.com/olympics/story/_/id/28946033/tokyo-olympics-officially-postponed-2021)

95. <https://news.artnet.com/art-world/moca-los-angeles-coronavirus-layoff-1814307>

96. <https://www.npr.org/sections/coronavirus-live-updates/2020/03/19/818378901/the-metropolitan-opera-tells-its-union-employees-they-will-not-be-paid-after-mar>

97. <https://creative-capital.org/2020/03/18/online-arts-events-during-the-covid-19-outbreak/>



## 1.16 Parks

### Summary

State and city parks have found themselves in the epicenter of the fight against COVID-19. As one of the few remaining public assets open during social distancing, many have flooded parks to get fresh air, potentially spreading the disease further. In addition to increased use, staffing cuts have resulted in service deterioration in the parks and recreation arena. Across the country, parks face unsanitary facilities, overflowing trash receptacles, and damage due to misuse and vandalism. Furthermore, out of a desire to reduce interpersonal contact, parks departments are forced to shutter revenue-generating facilities and programming that fund public services. While these impacts may be less significant compared to other areas of the public sector, the potential long-term impacts are significant, presenting parks and recreation departments across the nation with a unique opportunity to shift priorities and emerge from this crisis better prepared to serve their communities.

### Impacts: Low

COVID-19 has affected parks in the following ways:

**Increased usage and risk:** As institutions temporarily close to reduce contact and community spread of disease, individuals in need of entertainment and leisure activities have fled to parks as a refuge. This presents a significant risk to those who do patronize parks. Popular national parks remain open, with one park ranger reporting 600 close contacts in one day. In order for parks to remain a haven for residents, both in times of crisis and not — parks and recreation departments must prioritize management of risk.

**Budgetary challenges and uncertainty:** At the same time, parks and recreation departments have been forced to shutter revenue-generating facilities like swimming pools and gyms and have canceled revenue-generating programming — significantly hampering cash flow and budgetary flexibility. As many cities rely on revenue generated from programming and profitable facilities, the COVID-19 closures will prove to be a daunting challenge — especially as the resource-intensive summer season approaches.

### Opportunities: Low

COVID-19 creates the following opportunities for departments of parks and recreation to emerge stronger and more prepared:

**Establishment of emergency management protocols:** One of the unique opportunities presented by this crisis is the chance to transform the ways people interact with parks spaces and the departments that run them. Given how many parks, including national parks that attract many tourists, remain open, parks departments cannot simply leave park space open while reducing. Parks need emergency management protocols that address the rise in visitors, need for sanitation and social distance, challenges around staffing and access control, and plan accordingly for facilities management, programming, and other situations.

**Creation of remote work policies for employees:** While many in the parks and recreation sphere have jobs that center around interpersonal interaction with community members, many do not and should be supplied with the ability to perform remote work in the future, regardless of the current outbreak. Innovating new ways to perform different types of work and offer different services remotely can also deeply benefit both parks and recreation employees and the greater public. Many private facilities offer some sort of remote programming, including fitness classes or art instruction. Public parks and recreation departments can use new social distancing norms as an opportunity to innovate in their programming.

98. [https://www.washingtonpost.com/national/coronavirus-new-york-shut-down-parks/2020/03/23/317131ae-6cf2-11ea-aa80-c2470c6b2034\\_story.html](https://www.washingtonpost.com/national/coronavirus-new-york-shut-down-parks/2020/03/23/317131ae-6cf2-11ea-aa80-c2470c6b2034_story.html)  
99. <https://www.washingtonpost.com/climate-environment/2020/03/26/coronavirus-national-parks/>

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# Conclusions

As state and local government agencies consider the potential effects of this COVID-19 crisis, agencies should carefully consider potential impacts to both their constituents and their staff, both in the short term and long term. Regardless of what direction this crisis takes, agencies can embrace strategic actions that can set themselves up for success. Despite the diverse array of services government provides, Guidehouse identified unifying **6 themes** as agencies plan for the future:

1

## **Modernizing government services and upgrading technology**

The halting of in-person operations where possible has revealed various technological vulnerabilities among government agencies and the different services they offer. While technology poses a potentially expensive investment, many agencies will require these upgrades in order to meet the demand for their services.

2

## **Focus on constituents and their experiences in the long term**

As the COVID-19 crisis threatens public health and the economy, the public needs government support now more than ever. Agencies should concentrate on what services their constituents need most, and how they can improve their experiences and best serve them.

3

## **Financial strain and budgetary pressures**

Government agencies will be facing depressed tax revenue that will exacerbate their fiscal situation even as the need to financially support their constituents grows. They must focus on cost-saving measures that will not compromise their ability to perform services and understand the long-term repercussions of the strategic initiatives they prioritize.



### **Develop agency capabilities around remote work**

The COVID-19 pandemic has demonstrated the urgency of investing infrastructure for government employees to conduct their work remotely, especially if the pandemic extends ongoing shelter-in-place orders. This will create more flexibility for their employees in the long term, which could boost employee morale, talent attraction, and retention.



### **Increase accessibility to government services**

The pandemic has revealed how important it is for governments to meet their constituents where they are at. This requires increasing flexibility and options in accessing government services, such as with how departments of human services administer welfare or how secretaries of state facilitate voting and driver services.



### **Innovate business as usual**

Unprecedented times require innovative solutions. State and local government agencies that use the pandemic to rethink and improve how they provide services can position themselves as leaders among their peers



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## About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets and agenda-setting issues driving national and global economies. For more information, please visit: [www.guidehouse.com](http://www.guidehouse.com).