

## SPECIAL DISTRICTS PROVIDE A LARGE SHARE OF THE NATION'S ESSENTIAL SERVICES

Content based on data collected as of July 1, 2020.

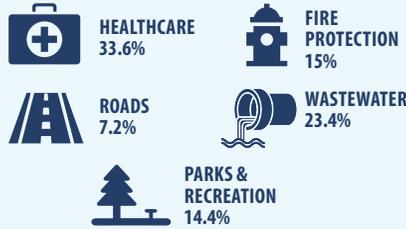
Special districts are local governments created by the people of a community to deliver specialized services that are essential to their health, safety, economy, and well-being.

# 17.5%



Special districts account for 17.5 percent of all local government revenue generated nationwide, while special districts' tax revenue makes up 7.72 percent of all tax revenue received by local governments.<sup>1</sup> Compared to other local governments that provide the same services, special districts nationally are responsible for the following share of expenditures in the vital sectors<sup>2</sup> shown.

### PROVIDING A LARGE SHARE OF THE NATION'S ESSENTIAL SERVICES



### PROVIDING 41.1% OF UTILITIES

- Water supply: 30.5%
- Electric power: 36.8%
- Gas supply: 26.9%
- Transit: 60%



### ESSENTIAL WORKERS AT RISK FOR JOB CUTS



- 24 percent of special districts nationwide have had to **furlough or cut essential employees**, or both.
- 34 percent reported a **likelihood of cutting or making additional layoffs** to staff through June 30, 2021.

- 24 percent were uncertain at the time of response.<sup>3</sup>

- The NSDC anticipates more than **15,000 special districts** are likely to cut essential workforce or are facing serious economic uncertainty which may cause them to do so.

### EFFECTS ON SPECIAL DISTRICTS & COMMUNITIES

# \$30.5 Billion

COVID-19 IMPACTS THROUGH JUNE 2021.

Between March 2020 through June 2021, special districts nationwide expect to experience over \$30.5 billion in fiscal impacts due to revenue loss or necessary expenditures as a result of COVID-19.<sup>4</sup> This is likely a conservative estimate, as the survey responses to date are under-representative of healthcare and hospital districts. Significant uncertainty is a defining feature of this conservative estimate, as 12 percent reported uncertainty in their level of anticipated expenditures for Fiscal Year 2021 and 21 percent were uncertain of future revenue loss estimates.

**41%** of special districts had cut or reduced services as of July 1.

**58%** are likely to reduce services or are unsure they can maintain their current levels of services provided to their communities in FY21.

### LEGISLATIVE SOLUTION: Special Districts Provide Essential Services Act

Legislation in the House (H.R. 7073) and the Senate (S. 4308) would provide greater certainty for special districts providing critical infrastructure, emergency response, and community enrichment services.

This Act would soften the ongoing fiscal blows of the pandemic by dedicating five percent of states' future Coronavirus Relief Funds to local governments that were largely excluded from the original relief package. Under S. 4308, districts would demonstrate need based on revenue losses and COVID-19-related expenditures with limitations placed on the relief received that preference critical infrastructure. States would have greater flexibility in directing and utilizing the relief funds with the ability to apply for a waiver with the U.S. Treasury after 60 days to use excess funds otherwise.

<sup>1</sup> Local government refers to county, city, municipality, township, and special district.

<sup>3</sup> The survey measured experienced impacts as of July 1 and anticipated impacts for after July 1 through June 30, 2021 (FY 21)

<sup>2</sup> Percentages determined from original data in the U.S. Census Bureau's 2017 Census of Governments.

<sup>4</sup> Based on 865 responses from special districts located in Arizona, California, Colorado, Florida, Illinois, Oregon, Texas, and Utah.