

Special District Association of Colorado

Presentation:

Task Force on Economic Recovery and Relief Cash Fund

Monday, October 18, 2021

NATIONAL SPECIAL DISTRICT ASSOCIATION (NSDC) COVID-19 IMPACT SURVEY

National survey – 155 special district sample.

Included estimates for:

- Unplanned expenditures;
- Revenue loss; and
- Other assistance received (primarily CARES Act).

NATIONAL SPECIAL DISTRICT ASSOCIATION (NSDC) COVID-19 IMPACT SURVEY

52% of Special Districts (82) anticipated losses even after additional assistance. 12% had anticipated losses, but other assistance covered the losses.

NATIONAL SPECIAL DISTRICT ASSOCIATION (NSDC) COVID-19 IMPACT SURVEY

Of the reported losses, ~17% was due to covid related expenditures and ~83% was due to revenue loss.

NATIONAL SPECIAL DISTRICT ASSOCIATION (NSDC) COVID-19 IMPACT SURVEY

Estimated net losses (expenditures + revenue loss - assistance) just from this small sample for Colorado SDs totaled over \$34M.

DOLA SURVEY SUMMER 2021

Out of 454 respondents about $\frac{1}{3}$ anticipated ongoing, unbudgeted pandemic-related expenses from March 3, 2021, through the end of 2022 totaling nearly \$26.5M.

DOLA SURVEY SUMMER 2021

171 respondents (38%) indicated a total estimated revenue loss of \$74.4M

- 51 respondents anticipated a reduction in property tax revenues totaling \$12.2M. Some property tax-dependent districts, such as fire districts, in high extraction counties are projected to experience substantial drops in assessed value based on preliminary 2022 certifications of value

DOLA SURVEY SUMMER 2021

171 respondents (38%) indicated a total estimated revenue loss of \$74:

- 81 districts experienced or anticipated a reduction in non-utility, fee-based revenue loss in the amount of \$42.1M. Most acutely affected have been park & recreation districts (and providers of those services). In comparing available 2020 audited financial statements to 2019 audits, there is strong evidence to support these losses.

DOLA SURVEY SUMMER 2021

171 respondents (38%) indicated a total estimated revenue loss of \$74.4M:

- An amendment to the U.S. Treasury's Fiscal Recovery Funds FAQ now states that sewer system revenue losses are eligible. Sanitation and water & sanitation districts noted \$1.4M in losses in the survey.

DOLA SURVEY SUMMER 2021

Over half-billion dollars in water, sewer, & broadband projects were identified in the survey, including \$455M in responses for water, sewer, or water & sewer projects (the remainder included broadband with either of the three others).

DOLA

Local government survey and interviews

- **Of 80 city and county respondents, only 2.6% are considering allocating ARP funds to Special Districts.**
- 70% have already decided on their investment strategies and will prioritize their municipal and county critical public infrastructure
- Difficulty in leveraging funds when local governments do not yet know what the State legislature will prioritize with ARPA. Final Federal guidance is not yet released and required outcomes are not yet defined.
- Larger communities have significant resources as compared to the smaller rural communities.