



**Analysis of Economic Impact of Pennsylvania Governor's
Withholding of Pandemic CARES Act Funding to Lebanon County
April 2020-December 2020**

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Introduction

In an effort to control spreading Covid 19 virus in the spring of 2020 the governor of Pennsylvania ordered all non-life sustaining businesses closed. That decision would lead to series of events that eventually caused Lebanon County to experience slower economic recovery from the pandemic business closings than the state or adjacent counties.

This report chronicles the actions of the governor and Lebanon County elected officials during the period of April 2020 to September 2020 and objectively analyses the subsequent impact on the county's economy through December 2020.

Methodology

Economic impact is measured in this report by the percent change in total non-farm employment between April 2020 and December 2020 in Lebanon County, Dauphin County, Lancaster County and state data.

Pandemic severity is calculated by mortality rates in the selected adjacent counties and the state.

Chronology

The sequence of causal events and actions that lead to Lebanon County relatively slow economic recovery are as follows:

March 2020

- Governor issues order closing all non-life sustaining businesses. Appeals are allowed by businesses but decisions on whom or why exemptions to the order are granted are not made public.
- Lebanon County is initially compliant with governor's actions.
- County records first Covid infection.

- Governor proclaims stay at home order.

April 2020

- State economy experiences sharp and rapid decline.
- Resistance to governor's control begins in some counties.

May 2020

- Governor implements plan to partially reopen business in colored coded phases, red-yellow-green, based on the complex metric of the number of Covid cases over a 14 day period per 100,000 population in each county. There is no non-confrontational county appeal process.
- Lebanon County Republican officials declare move to yellow phase without governor's authorization.
- Governor threatens to withhold federal Coronavirus Aid Relief and Economic Security Act [CARES] funding to counties that reopen without his approval.
- Other counties abandon plans to defy governor.

July 2020

- Governor withholds CARES funding to Lebanon County.

August 2020

- County sues governor for withholding CARES funds.
- Settlement agreement is reached in law suit.

September 2020

- Applications for CARES funding become available in Lebanon County.

Economic Impact

The economic impact of the Governor's decision to withhold CARES Act funding to Lebanon County businesses and employees can be measured by comparing changes in non-farm employment data between Lebanon County and adjacent counties where funds were not delayed, and with state wide numbers:

**Comparison of Percent Changes in Non-Farm Employment
Lancaster, Dauphin, Lebanon Counties and Pennsylvania
April 2020-December 2020**

Lancaster County	+16.8%
Dauphin County	+11.1%
Lebanon County	+5.8%
Pennsylvania	+12.3%

Lebanon County businesses have historically and consistently been more resilient than the region and state during economic down turns and recession, and have recovered more rapidly. The 2020 pandemic recovery was remarkably and comparatively slower, leading to a conclusion that the prolonged shut down and delay in funding relief are at least major contributing causes.

Measuring Pandemic Severity

The events that lead to the struggling economic recovery in Lebanon County can be traced to the decision by the governor to use a count of the number of Covid cases over a 14 day period per 100,000 population in each county as the sole measurement for determining business opening policy.

The metric did not take in to consideration the accuracy of the tabulations nor severity of the cases which can range from non-symptomatic to death and increments in between. Nor are other available data sets utilized.

Had another, more meaningful and more simply counted, measurement such as mortality rates been a bases for state pandemic control policy the events of April-September 2020 could have been entirely different. Perhaps there would have been faster movement through colored phases

in Lebanon County, no rebellion, no governor over reaction, no law suit, no settlement agreement, no delay in funding relief, more businesses open and more employees working.

While Lebanon County had a relatively higher per capita case number compared to some other counties, its mortality rate was substantially lower:

Comparison of Covid 19 Deaths per 100,000 Population
Lancaster, Dauphin, Lebanon Counties and Pennsylvania
[As of October 2020]

Lancaster County	87.6
Dauphin County	70.4
Lebanon County	47.7
Pennsylvania	68.6

If measured by relative mortality rates, and noticing that 69% of Covid related deaths in the county occurred in nursing homes rather than in the general public, the severity of the pandemic in Lebanon County is arguably much lower than in adjacent counties and in the state, and could have been considered in allowing advancement through the colored phases.

Conclusions

Two conclusions can be reached through this analysis.

First, the governor's pandemic control orders, the reactive resistance to the orders in Lebanon County and the governor's over reaction to the resistance, contribute to a relatively slow economic recovery in the county.

Second, the severity of the pandemic in Lebanon County was lower than in adjacent counties and state wide. Had an appeal process been in place to submit county specific data to the governor, calculated by factors other than just per capita cases, the first conclusion might not be relevant.

The lesson learned from this study is that government policy on controlling pandemic is influenced by the measurements used to make lock down or phased opening decisions. Judging the situation by the change in the number of cases can have one effect on the economy while calculating change in severity of cases could have a different consequence.

Sources

The sources of data in this analysis were:

- Pennsylvania Department of Health
- LebTown. Com
- Statista.Com
- U.S. Bureau of Labor Statistics

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