

# **Bond Case Briefs**

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## **The Case for More Federal Oversight of State and Local Budgets.**

**An influential good government group is calling for tighter standards and is out with new recommendations for how Congress and regulators can begin taking action.**

Hundreds of billions of dollars for pandemic recovery, infrastructure projects, economic development and climate programs that Congress and President Biden have approved for states, cities and counties during the past two years has drawn a great deal of attention.

But even before the Covid-era spending boom, the federal government was directing more than a \$1 trillion annually in grants and tax incentives toward states and localities, as a new report from the nonprofit Volcker Alliance points out. Despite that degree of financial aid, the authors of the report argue that Congress and presidential administrations have “demanded surprisingly little in continuing, high-level oversight” of state and local budgeting and borrowing.

The report goes on to make a case for why it’s time for lawmakers and regulators to tighten up standards around state and local government finance, and it offers recommendations for how they can go about it.

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### **Route Fifty**

By Bill Lucia

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