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## **Rethinking Budgeting: A Transformative Approach for State and Local Governments**

**Given the fiscal realities that the majority of governments now face in the post-COVID era, they need to think differently about how they allocate their resources.**

State and local governments across the U.S. are facing a growing financial crisis, with every state except Florida facing a budget deficit by 2025.

Rising costs, falling tax revenues, increasing demand for public services, and outdated infrastructure are putting intense pressure on budgets. COVID-19 made things worse, creating deficits and straining resources, which now threaten public services, delay infrastructure projects, and weaken trust in government.

The pandemic also exposed deep inequities in funding, now driving urgent calls to increase support to underserved communities. These challenges force tough decisions about what to fund and cut.

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### **Route Fifty**

By Mark Funkhouser, Abhi Nemani and Nick Mastronardi

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