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Prospect of Steep Service Cuts Looms as Virus Batters State and Local Budgets.

“The longer this persists, the deeper it will be for state and locals and state and local cutbacks,” one expert noted this week.

It’s a given at this point that the coronavirus is going to make a dent in state and local government budgets, with public officials and experts saying service and program cuts appear inevitable without some kind of federal bailout.

Information continued to emerge this week about the extent of the financial pressure that states and localities are facing and how they are managing it. Even before the pandemic hit, some state and local governments were dealing with tight finances or lagging economies. Now they’re facing unplanned costs tied to the response, as well as depressed tax revenues because of the economic crash that the outbreak has caused.

States and local officials are advocating for billions of dollars in additional federal aid, on top of billions that Congress has allotted already. House Speaker Nancy Pelosi this week said that helping local governments offset lost revenues is “a very important piece” of discussions about a pending relief bill. But it’s still unknown how much more money lawmakers will pony up, or what limits will be imposed on how that cash can be spent.

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Route Fifty

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