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A Looming Fiscal Crisis Raises Another Fear for US Cities: State Oversight and Financial Control Boards

It's a tough time to be a mayor in America. Tax revenues have fallen off a cliff. Public sector layoffs have begun – a staggering 1.5 million jobs lost already – and there is no end in sight. The Upjohn Institute estimates that by the end of 2021, state and local governments will face a $1 trillion shortfall.

To make matters worse, it is unclear if the federal government will do enough, or anything at all, to aid state or local governments.

"This is an unprecedented crisis and it could get quite ugly," says Bruce Katz, co-founder and director of the Nowak Metro Finance Lab. "We stopped the economy. You don't need to be a rocket scientist to figure out that even well managed cities and counties are being affected."

Continue reading.

CityMetric

By Jake Blumgart

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