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States and Localities Shouldn't Count on More Federal Aid.

Mitch McConnell and other Republicans are opposed to further aid for states and localities. It looks like the Senate will stay in GOP hands, so prospects for relief next year have dimmed.

President-elect Joe Biden most likely will be dealing with a Senate led by Republican Mitch McConnell. That bodes ill for a lot of Democratic hopes, including major fiscal relief for states and localities.

It takes two sides to make a deal, so perhaps there's something Democrats can trade in exchange for more aid. But that's been the expectation for months now and McConnell hasn't budged.

"Sen. McConnell has put down the marker pretty strongly about why they think a bailout of the states is a bad idea," says Jonathan Williams, chief economist at the American Legislative Exchange Council. "I tend to think that Senate Republicans will hold together and say there are more effective ways to spend money than to send it to state and local governments as a pass-through."

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