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In Blue States and Red, Pandemic Upends Public Services and Jobs.

As a standoff over federal aid persists, state and local governments are making deep budget cuts. “Everything’s going to slow down,” one official said.

The coronavirus pandemic has inflicted an economic battering on state and local governments, shrinking tax receipts by hundreds of billions of dollars. Now devastating budget cuts loom, threatening to cripple public services and pare work forces far beyond the 1.3 million jobs lost in eight months.

Governors, mayors and county executives have pleaded for federal aid before the end of the year. Congressional Republicans have scorned such assistance, with the Senate majority leader, Mitch McConnell of Kentucky, calling it a “blue-state bailout.”

But it turns out this budget crisis is colorblind. Six of the seven states that are expected to suffer the biggest revenue declines over the next two years are red — states led by Republican governors and won by President Trump this year, according to a report from Moody’s Analytics.

Continue reading.

The New York Times

By Patricia Cohen

Dec. 4, 2020