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With No Federal Help Coming, Cities Cling to the Financial Cliff.

State and local governments have been left out of a Covid stimulus deal, even as nearly 3 in 10 cities say they will be “significantly impacted” without federal relief.

No level of government has escaped harm or fiscal damage related to the coronavirus crisis. But the fluctuations in municipal revenue caused by the pandemic — left conspicuously unaddressed by the latest version of a federal stimulus bill — reflect both long-term trouble for U.S. cities and the deeply uneven state of local economies.

As of Friday, the \$900 billion Covid-19 stimulus bill, negotiated in tandem with a \$1.4 trillion stopgap funding package to keep the government open, includes money for vaccine distribution and schools, \$300-a-week jobless benefits, roughly \$330 billion in new small business loans, and a new round of \$600-per-person stimulus checks. But relief for states and cities that have been hammered by revenue losses does not appear to be forthcoming.

The lack of direct aid in the deal means that Congress has “abandoned American cities,” said Mayor Greg Fischer of Louisville, Kentucky, president of the U.S. Conference of Mayors, in a statement. “There is no doubt that the pandemic has wrecked the budgets of local governments from coast to coast, and Washington’s unwillingness to help will cost people jobs and make communities less safe. Nearly 1.3 million state and local government employees lost their jobs over the last year — exceeding the total number of public sector jobs lost during the Great Recession. History has shown us that we cannot have a strong economy without strong cities. Congress is now making it much harder for our economy to rebound.”

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