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The Overshadowed Plight of City Budgets.

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While the coronavirus-driven economic downturn hasn't been as disruptive to most state budgets as initially feared, for many local governments it's dealt a brutal financial hit.

Congress has now responded with historic levels of direct aid to thousands of cities and counties. But some experts are cautioning that the windfall shouldn't be spent just on today's problems. That's because local governments are likely to still be feeling the effects of the downturn for years to come, even after the Covid-19 outbreak has subsided. And in some cases these future pressures will compound budget problems that predated the pandemic.

Houston is perhaps an extreme example. It has a more than \$200 million budget deficit for the next fiscal year that starts on July 1 and officials have said they would have to cut services and lay off employees to make up the gap. While the pandemic has made matters worse, the city had already been dealing with deficits for several years, said controller Chris Brown.

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Route Fifty

By Liz Farmer

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