

# **Bond Case Briefs**

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## **The States That Could be Headed for a 'Fiscal Cliff'**

**Three of them, in particular, may see difficulties in the years ahead as federal aid runs dry, according to a good government group.**

California, Illinois and Pennsylvania could run into budget trouble in a few years, because they've been using a one-time surge of money from the federal government to pay for long-term expenses, fiscal experts warned Wednesday.

The sobering warning comes even as states are flush with cash, thanks to strong consumer spending and low unemployment. Some states are reaping the rewards of booming oil prices and, until recently, people trading high-flying tech stocks.

The Volcker Alliance, a nonprofit group that promotes responsible government spending, said the three states are among the most vulnerable for budget stresses when funds from the American Rescue Plan run out in 2026. President Biden signed the coronavirus relief law during his first few months in office. It contained \$350 billion for state and local government relief.

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### **Route Fifty**

By Daniel C. Vock

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