

Local government spending

Counties are coping with declining tax revenues by delaying capital investments among other steps, according to a National Association of Counties' (NACo) economic status survey. Four out of five respondents (82 percent) said their communities' budget shortfalls would continue into their next fiscal year. Washington-based NACo represents county governments in the U.S.

Cities, likewise, are managing tough fiscal conditions with a variety of strategies. In its latest "City Fiscal Conditions Survey," the Washington-based National League of Cities (NLC) reports that cities are instituting hiring freezes or layoffs (67 percent of respondents), canceling capital infrastructure projects (62 percent) and cutting services other than public safety (32 percent). Many of the cities that responded to the survey are decreasing spending on non-personnel operating expenses. NLC represents municipal governments throughout the U.S.



Doug Hall

More federal help is needed to plug holes in local and state government budgets, said Doug Hall, director of the Economic Analysis and Research Network at the Washington-based Economic Policy Institute, a nonpartisan think tank. "Another round of state fiscal relief — through mechanisms such as the Federal Medical Assistance Percentage funding program (FMAP) and the Education Stabilization Fund — would help create millions of jobs, and in so doing, would help guide state and local fiscal situations back onto solid ground," Hall told *Government Product News*.

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