Message from America’s Cities & Counties to Congress: Do Your Job

Local elected officials have been at turns appalled, stunned, and dismayed, at what is passing for "serious debate and negotiation" among our federal counterparts charged with pulling the nation back from the fiscal cliff. With few resources at hand to navigate the Great Recession, city and county leaders have compromised and found common ground to right size local government while maintaining key investments in the future of our communities.

After several fiscally difficult years, cities and counties are beginning to show modest economic recoveries. The largest challenge now before us is to convince our federal representatives that "punting" on sequestration means punting cities and counties over the cliff.

America’s cities and counties have already borne more than their share of cuts to the federal budget. As former Senator Pete Domenici (R-NM), now at the Bipartisan Policy Center, noted in Congressional testimony last summer: “So far Congress has imposed virtually 100% of deficit reduction on less than 37 percent of the budget.”

We are that 37 percent -- and this cannot continue.

Falling off the so-called fiscal cliff by allowing deep, across-the-board cuts is not an option.

We understand the need for fiscal responsibility and the tough choices required to address the deficit. After all, such hard work fuels our metropolitan areas and their suburbs, which represent over 90 percent of the nation’s GDP, nearly 90 percent of all wage and salary income, 86 percent of the nation’s employment, and 94 percent of future economic growth.

In difficult economic times, we think we should continue nurturing those areas that demonstrate such encouraging growth.

But the budget cuts, mandated by the Budget Control Act of 2011, would do the exact opposite, cutting deep into the economic muscle of cities and counties: slashing state and local education investment by 36 percent; cutting investment in housing and community development by 28 percent; taking 18 percent from spending on health and the environment; and reducing public safety and disaster response investment by 5 percent.

In a final, absurd flourish, the Act proposes lopping off 10 percent from workforce development funds that would help train Americans to compete, and, win, in the new global marketplace.

Americans are still reeling from a slow recovery and the top focus must be on job creation. Cities and counties are working with businesses and the private sector to forge economic partnerships locally. But it is not enough. A more aggressive answer to jobs creation is needed.
In our view, Congress must do the following things:

1) Congress must take immediate action to steer America away from the looming fiscal cliff, to make sure that we do not face another credit downgrade. Such clarity on the federal budget also offers greater certainty and encouragement to private investment, which, in turn, improves productivity, expands opportunity for innovation, and leads to greater economic growth.

2) As part of the deficit package, Congress must ensure that necessary federal investments are made in metro infrastructure, energy independence, research, education and public safety so that economic growth can continue and further strengthen America’s global competitiveness and future fiscal health.

3) Congress must devise a balanced approach to cutting the deficit, combining more rational spending cuts with additional revenues from sources like tax code reform. Every bi-partisan commission that has studied the deficit has concluded that additional revenues must be part of the solution.

4) Key economic development tools must be continued such as Community Development Block Grants, workforce training, water modernization and the tax exemption for municipal bonds, which support state and local financing of infrastructure projects.

5) Congress should pass the bi-partisan Marketplace Fairness Act, which would allow for the collection of sales taxes on internet commerce – which could provide states and cities with an estimated $23 billion annually.

6) Congress should protect Medicaid which states and counties help finance in partnership with the federal government to provide health care for more than 60 million low income children, families, frail elders and blind and disabled Americans. Cuts or caps to the federal contribution are not “entitlement reform,” but only shifts health care costs to state and local taxpayers.

On their behalf, the U.S. Conference of Mayors, the National League of Cities and the National Association of Counties -- all bipartisan organizations representing America’s local communities -- have each sent letters to Congressional leaders urging a balanced approach to deficit reduction and are today calling on Congress and the White House to make smart cuts and continue to invest in America’s cities and counties to drive growth and create jobs.

Mayor Michael Nutter, Philadelphia, Pa., USCM President

Mayor Marie Lopez Rogers, Avondale, Ariz., NLC President

Commissioner Chris Rodgers, Douglas County, Neb., NACo President