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States and Cities Brace for Less Federal Money

By [ADAM NAGOURNEY](#) and [MICHAEL COOPER](#)

LOS ANGELES — The deficit reduction deal reached in Washington produced some relief across the country on Monday, as the nation appeared to have avoided default. But it also produced a sharp wave of anxiety among governors and mayors worried about how the cuts might hurt already beleaguered states and cities, and it sowed anger and cynicism among many Americans about leaders in Washington.

Few people — from government officials struggling to figure out the details of a moving target to Americans appalled at the partisan drama — seemed surprised that a deal had been reached at the last moment. But it came at what appears to be a high cost.

“This has eroded my faith in government, because there was such a high when Obama came in,” said Meredith Quill, 38, who lives in Los Angeles.

In Atlanta, Kathy Ashe, a Democratic state representative, said that the fight had undermined her belief in Washington’s basic competence. “It is no longer about the best and brightest minds steering the nation based on the best information available,” she said.

Mayors, governors and state lawmakers spent Monday trying to measure how much the deficit deal

might cost them in aid, a frustrating task given the fact that many of the details of the reductions in federal spending will not be known until later in the year. But there was no doubt that local governments, many of which have endured several years of brutal budget cuts, were facing even more tough times ahead.

“Had they not reached a deal, the credit of everybody — from credit cards to the bonds that cities float — would have been impacted,” said Jean Quan, the mayor of Oakland, Calif.

But she said she was very concerned by the deal’s call for more than \$2 trillion in cuts over the next decade. “It’s often poor people, the young and the elderly that get the short end of the stick,” she said. “Somehow I don’t think the Defense Department is going to suffer as much.”

Mayor John R. Marks III of Tallahassee, Fla., said he was relieved that default had apparently been averted, even as he girded for another round of budget cuts.

“There’s no question it’s going to come down to the cities,” he said. “I think we’re all going to feel some pain as we go forward, but I think, as everybody believes, we must do these kind of things to get the deficit under control.”

Ron Downey, a county commissioner in rural Montana, said he was frustrated that the federal spending cuts had not been deeper. But he said he was heartened that Washington was finally reducing the debt.

“We’ve gained a lot over the last year,” said Mr. Downey, a Republican. “Instead of talking about more stimulus, at least we’re going the other way and talking about saving. I think it’s the right direction. I just wish they’d done more.”

But states did see one hopeful sign. While the deal calls for a series of large automatic spending cuts in the coming years if Congress fails to agree on how to trim the budget deficit, it exempts **Medicaid** — the program that is perhaps the single most important stream of federal spending for states — from those automatic cuts.

Much of the uncertainty stems from the mechanics of the deal itself. The deal requires a new committee of members of Congress to meet this fall to try to come up with ways to reduce the deficit by \$1.5 trillion. If they fail, the deal calls for \$1.2 trillion in automatic budget cuts, divided between military and domestic spending but leaving **Social Security** and Medicaid alone. Economists, and politicians, are divided in how they see the likely outcome of this proposal for a deficit-cutting committee, backed by the threat of automatic cuts.

“Now that that bullet has been dodged, we’ve got to work just as hard to make sure we understand the impact of this deal and where these cuts are coming from,” said Gov. Jack Markell of Delaware, a Democrat. “We’ve got to make sure that the folks in Washington understand that if it’s just essentially a shift of these expenses from the federal government to the state governments and state taxpayers, that doesn’t really achieve anything.”

Across the country, the disdain for the process was not universal. Some people said they had simply tuned out or ignored what was happening, having long ago given up on Washington.

“To tell you the truth,” Owen Jones, 26, said while tending bar at a hotel in Jackson, Wyo., “more people were talking about whether the N.F.L. would have a season.”

Still, the displeasure was powerful and crossed party lines. “We do need to get this spending under control,” said Brad Taylor, a management consultant in the Denver suburb of Aurora, who described himself as politically independent. “That being said, playing games that take us right on up to the 11th hour — it turned into a spitting contest that the rest of us could do without.”

Tom Friedlander, who lives in Los Angeles, described the process as ridiculous. “My opinion of American government was already low as it was, but now it just seems petty,” he said. “Really, it seems like we have a bunch of people who are adults who aren’t acting like adults.”

In Georgia, Cameron Fash, the chairman of the Georgia Young Republicans, described the whole

process as frustrating, saying, “This is something that should have been handled months ago, not days and hours before the deadline.”

Yet through it all, there was a sense that a deal was inevitable because the alternative was so dire. Don Ronyak, a human resources supervisor for Denver, said it was that confidence that allowed him to avoid panic about his savings and investments as the stock market swooned. “I just waited it out,” he said.

Heading to the airport in Denver, Marc A. Miller, a pilot for Southwest Airlines, said he never doubted that a deal would be reached, no matter how sharp the partisan differences. “No one is that incompetent,” he said. “You had to accomplish something, otherwise you were going to cripple the markets, which would cripple the country.”

Adam Nagourney reported from Los Angeles, and Michael Cooper from New York. Reporting was contributed by Kirk Johnson from Denver; A. G. Sulzberger from Jackson, Wyo.; Kim Severson and Robbie Brown from Atlanta; Ian Lovett from Los Angeles; Malia Wollan from San Francisco; and Catrin Einhorn from New York.



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