Background

In the last six budgeting tasks, you selected a local government and analyzed its budget process, revenues, expenditures, and possible areas for spending adjustments. You also selected a New York State policy area and examined the Governor's Executive Budget, legislative budget hearings, capital projects, and debt financing.

This week, we turn to intergovernmental fiscal relations: the fiscal transfers among federal, state, and local governments. Federal and state aid are major parts of public budgeting. Local governments often rely on state aid, federal funds, grants, reimbursements, and shared revenues to support services such as transportation, education, public safety, health, housing, human services, and infrastructure. At the state level, federal aid is also a major funding source, especially in areas such as Medicaid, transportation, education, housing, environmental protection, emergency management, and social services.

In this assignment, you will conduct two related analyses.

First, you will return to the local government you selected earlier in the semester and examine how much federal and state aid it receives, what share of its budget comes from intergovernmental aid, and which local services depend on this funding.

Second, you will return to your selected New York State policy area and examine the role of federal aid in funding programs, services, or capital projects in that area.

Sources:

You should use credible public sources. Depending on your local government and policy area, useful sources may include:

Local Government Sources (refer to previous budget assignments):

- Your local government's adopted budget or executive budget.
- Your local government's annual financial report or audited financial statements.
- NYS Office of the State Comptroller local government financial data, which you have used before for revenues and expenditures analysis

New York State Budget Sources (refer to previous budget assignments):

- New York State FY 2027 Executive Budget Briefing Book.
- New York State FY 2027 Financial Plan.
- New York State Agency Presentations.
- New York State Five-Year Capital Program and Financing Plan.

Tasks:

Write a two-page memo and answer the following questions:

Local Government

- How much federal and state aid does your selected local government receive?

- What share of total revenues does this aid represent?
- Which services or departments rely most on aid (if you can tell)?
- What fiscal risks would arise if aid declined or became uncertain?

State Agency Policy Area

- What role does federal aid play in your selected New York State policy area?
- Which programs, services, or capital projects depend on federal funding (if you can tell)?
- Does New York State provide aid to local governments, service providers, or authorities in this policy area?

What to Submit

Submit a two-page memo that addresses the questions above.

The Use of Generative AI

You may use generative AI to help with your research, but you must verify any information you receive from AI with credible sources and support your points with evidence and reasoning. Do not directly submit AI-generated content as your discussion post. You are responsible for checking the accuracy of that information.