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Abstract

This article argues that the bursting of the housing bubble, the banking crisis and the resulting great recession of 2008 have altered the landscape for local governments. The authors contend that the economic recession has created a “new normal” for local government finances, employment, and services. This “new normal” perspective holds that the great recession of 2008 represents a break point for local governments, with implications likely to last long after the economy recovers. The authors suggest that the “new normal” for local governments will consist of fewer resources, smaller workforces, and new ways of delivering services.

Keywords

“new normal,” local government, finances, employment, services

Introduction

Little argument exists that the bursting of the housing bubble, the banking crisis, and the resulting great recession of 2008 that followed have significantly and negatively affected local governments (e.g., Barkin 2010; Brooks 2011; Hoene and Pagano 2011; Levine and Scorsone 2011; Nicolosi 2010; Perlman 2010; Walker 2009). The decline in property tax and sales tax receipts has cascaded throughout local governments (Reilly and Reed, 2011). For example, it is estimated that the decline in housing values resulted directly in a decrease in consumer spending of some \$240 billion in 2010, which in turn significantly impacted state and local government sales tax receipts (*New York Times* 2011a, a2).

Local governments have also had to deal with the negative impacts of declining federal funds as well as reductions in state-shared revenues (Barkin 2010; Hoene and Pagano 2011; ICMA 2009; Mathers 2010; NACo 2011;

Economist 2011a). As a result of this financial upheaval, local elected officials and administrators are confronted with a major policy question. Is the current financial situation a temporary phenomenon that will eventually run its course and return local governments to some sort of prerecession normality? Or, are larger forces at work here that have permanently changed the landscape for local governments?

Many local government researchers, professional organizations, and policy groups view the great recession as a break point (e.g., Barkin 2010; Buntin 2011; *CAforward* 2010; Hoene and Pagano 2011; Nicolosi 2010; Mathers

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2010). According to this perspective, the status of local governments *ex post* the great recession will not be the same as existed *ex ante*. In other words, there will be no great reset button that will eventually return local government finances, employment, and services to the levels enjoyed prior to the great recession. The phrase that perhaps best captures this perspective is the “new normal,” a term coined by Roger McNamee (2004) in his book of the same name. While McNamee (2004) was writing about the business sector, the “new normal” has also entered the lexicon of government in general (e.g., Davis 2009; Accenture 2009) and local government in particular (e.g., *CAforward* 2010; Hoene and Pagano 2011; Mathers 2010; Miller 2009, 2011b; Miller and Link 2009). Two major arguments are made in support of a “new normal” for local governments.

The first major argument is that long-term trends in globalization have altered the nature of the US economy and labor market with major implications for local governments (*Economist* 2011b; Spence 2011).

Globalization enables American and foreign companies to move capital and jobs with relative ease from city to city, state to state, and country to country. Sometimes, a local government benefits (new jobs, expanded tax base, and increased revenues); more often, it loses (higher unemployment, diminished tax base, and decreasing revenues). Globalization has also bifurcated the US labor market into high-paying jobs in computers and information technology and low-paying service jobs. Globalization can destabilize labor markets, communities, and local government revenues. Local governments can attempt to influence globalization (e.g., economic development programs, tax incentives, and abatements), but in the final analysis, they have little real control.

According to McNamee (2004), the key for local governments in understanding the “new normal” is coming to grips with the fact that globalization has changed the role and importance of government. Globalization today has as much influence, if not more, over the economy, public policies, and finances of local

governments than local governments do themselves.

In discussing globalization and the current economic situation, Jeffrey Immelt, chief executive officer of the General Electric Company, has been quoted as saying that the United States is going to come out of great recession “in a different world” (cited in Walker 2009, 64). This statement reflects the belief held by many that the great recession of 2008 is less of a cyclical phenomenon and more of a global restructuring (*Governing* 2010).

What might this different world look like that Immelt suggests in coming to pass? The Congressional Budget Office (CBO 2011, 1) estimates that US unemployment will remain above 8 percent until at least 2015. Edmund Phelps, a Nobel Prize winning economist, believes that the “natural rate” of US unemployment in the future will be closer to 7.5 percent than the traditional 5 percent rate (*Economist* 2011b, 4–5). According to the US Census Bureau, income levels in 2011 adjusted for inflation were below 1996 levels (Dougherty 2011). Poverty in the United States reached a fifty-two-year peak in 2011 with some 46.2 million Americans living below the official US poverty level (Tavernise 2011, a1; *New York Times* 2011b; *Economist* 2011b, 29). Significant long-term unemployment and stagnating salaries and wages combined with increasing poverty rates suggest that local governments will face increasing service demands but decreasing revenues (Mathers 2010).

The second major argument in favor of a “new normal” is that many state and local governments have used the great recession to implement what some have called long overdue reforms (Buntin 2010; Davy 2010; Greenblatt 2011; Maher and Neumann 2010; Rauh 2011; *Economist* 2011a). In the famous words of Rham Emmanuel, former presidential advisor and now the mayor of Chicago, “You never want a serious crisis to go to waste” (Emmanuel 2008). For example, many state and local governments have used the great recession as an excuse to reexamine public pensions and collective bargaining agreements (*Bloomberg Businessweek* 2010; Maguire 2011; Miller and

Link 2009; Rauh 2011; Maher and Neumann 2010, a3).

In the following sections, a situational analysis is conducted of local government finances, employment, and services. This analysis is then used to formulate some thoughts about what the “new normal” for local government may eventually come to look like.

Local Government Finances

The current issues facing local government finances have been characterized as “chronic, growing gaps” between revenues and expenditures (Ward and Dadayan 2009). The federal Government Accountability Office (GAO) estimates that collectively local governments face a \$225 billion structural budget deficit (cited in O’Neil 2011).

Revenues

According to the National League of Cities (NLC), municipalities nationwide ended 2010 with the largest year-over-year general fund reductions in the last twenty-six years (Hoene and Pagano 2011, 3). The downturn in the real estate market has resulted in a 2 percent decline in property tax revenues for 2010 over 2009, the first year-over-year decline in some fifteen years. Property tax collections are expected to continue to decline for the next several years (Hoene and Pagano 2011, 3–4).

To offset the decline in property taxes, local governments have looked to other revenue sources. However, sales taxes and income taxes have also declined sharply (Dadayan and Boyd 2010). Additionally, local governments cannot expect much help from either Washington or state capitals, as these governments struggle with their own budgetary problems (Greenblatt 2010). A 2011 survey of county governments found that decreased state funding was one of the most frequently cited reasons for their budget shortfalls (NACo 2011). At least one state, Nebraska, has reportedly eliminated all aid to its local governments. To deal with the revenue short falls without reducing expenditures, the GAO (2011) estimates that local governments

would be required to raise taxes by some 12.5 percent each year (Buntin 2011).

Expenditures

It is generally acknowledged that local government expenditures have been growing at unsustainable levels for some time (e.g., Chapman 2008; GAO 2008). In most categories of spending, the increase in local government expenditures over the last decade has outpaced both population growth and inflation (GAO 2008; Joyce and Pattison 2010; Ward and Dadayan 2009). Demographic changes (more older workers and more retirees) have combined to increase local government expenditures for health care (*BloombergBusinessweek* 2011a, 38; Chapman 2008, GAO 2008; Joyce and Pattison 2010; Ward and Dadayan 2009). The Centers for Medicare and Medicaid estimate that health care costs will continue to rise by some 6 percent annually (Buntin 2011).

State and federal policy making not only affects local government revenues but also often plays a critical role in expenditure determinations. Some states have attempted to deal with their own financial problems by shifting service responsibilities and their associated costs to their local governments (Greenblatt 2010). In California, for example, state prisoners along with their attendant costs are being shifted from state prisons to county jails and probation departments (*Economist* 2011c, 36–37). In Arizona, counties were mandated in fiscal year 2011 to transfer \$34.6 million to the state general fund (Fikri 2011). For at least some local governments today, the state is seen as a major threat to their fiscal sustainability (Greenblatt 2010).

Most research on the subject of local government expenditures suggests that spending cuts on their own are insufficient to bring expenditures in line with revenues (Siena Research Institute 2008; Ward and Dadayan 2009). The GAO projects that absent significant policy changes, the gap between local government revenues and expenditures will reach historic proportions by 2015 (GAO 2008). Estimates are that closing the local

government revenue/expenditure gap by only reducing spending would require the equivalent of an annual 12.9 percent reduction in expenditures from nongrant revenues (Czerwinski 2008; GAO 2008; Ward and Dadayan, 2009).

Pension, Health Care, and Sick Leave Obligations

When comparing public sector and private sector employee benefit packages (health care, life insurance, pension contributions, vacation, and sick leave), the public sector on the whole has been historically more generous than the private sector. The past two decades saw an expansion of employer-paid benefits primarily as a result of collective bargaining agreements (Reilly and Reed 2011). These benefit enhancements also frequently found their way into the compensation packages of nonunion employees (Edwards 2010). The GAO estimates that unfunded state and local government retiree health care obligations total \$530 billion (cited in Buntin 2010, 37). Local government employee unused vacation and sick time also represent substantial unfunded financial liabilities. For example, in New Jersey estimates are that the state's 428 municipalities have accumulated liabilities for unused vacation and sick leave totaling \$825 million (*BloombergBusinessweek* 2011a, 38). In a recent study, the Center for State and Local Government Excellence reports that 68 percent of the city and county respondents surveyed are "pushing" to have retirees assume more of their health care costs. Additionally, nearly 40 percent of respondents said they planned to "eliminate" health care benefits for new hires (cited in Greenhouse 2011, a1–a3).

Some analysts suggest that pensions should be considered separately from other forms of employee benefits because public pension plans frequently enjoy constitutional and statutory protections (Pew Center for the States 2011). Approximately, forty states have what are referred to as "nonimpairment clauses" in their statutes. These rules prevent any previously granted benefit from being altered or revoked. In these situations, pension plans can

be restructured for new hires, but existing public employees are protected from any retroactive actions (Mattoon 2007). By some estimates as much as 85 percent of state and local government employees still participate in defined benefit retirement programs (Rauh 2011, 28).

The Pew Center for the States (2011) estimates that state and local government pension plans may be underfunded by \$1.3–\$3 trillion. One of the reasons for the wide-ranging estimates is the difficulty in determining just how many local government pension plans exist nationwide. For example, in the state of Rhode Island, there are an estimated 155 local government pension plans in addition to the state plan, but no one knows the exact number for sure (*New York Times* 2011d).

An example of the challenges associated with honoring public employee pension promises, while simultaneously managing local government finances today, is provided by the city of Pittsburgh, Pennsylvania. In Pittsburgh, retirees now outnumber active city employees. This fact of life has major implications for the city's long-term financial sustainability. Pittsburgh's unfunded pension liabilities are estimated at \$700 million (Maher and Neumann 2011, a3). To help address their unfunded pension obligations, some states now require local government employees to contribute to their retirement plans, some for the first time (Miller 2011a, Rabin 2011; Walters 2011). In Florida, as of July 1, 2011, all county employees, including police and firefighters, are required to contribute 3 percent of their annual salary toward their pensions (Kennedy 2011).

Debt

For the past several decades, local governments have balanced their budgets using a variety of mechanisms including taking on debt (Norcross 2010; Maguire 2011), despite the generally held belief that borrowing should not be used to fund current obligations. In some cases, debt has also been used to fund pension obligations. Called "pension obligation bonds" this form of borrowing gained considerable popularity

during the 1990s (Munnell, Calabrese, Monk, and Aubry 2010; Burnham 2003). As recently as 2009, some local governments were again considering pension obligation bonds.

Many financial analysts assert that debt poses a major challenge for the long-term financial stability of local governments (Corkery 2011; Gongloff 2011; McDonald 2011). At least one analyst, Meredith Whitney, who was credited with predicting the 2008 banking crises, has also predicted large-scale local government defaults (Corkery 2011; Gongloff 2011; McDonald 2011). While the predicted magnitude of local government defaults has not materialized, 2011 did see the bankruptcy filings of several local governments including the city of Harrisburg, Pennsylvania (the state capital). Nassau County, one of the richest counties in New York was also placed in state receivership in 2011 (Halbfinger 2011; Scolforo 2011). In Pennsylvania, nineteen local governments are now under some form of state receivership (*Economist* 2011d, 41). In Michigan, four technically bankrupt municipalities (Benton Harbor, Ecorse, Flint, and Hamtramck) are now headed by “emergency financial managers” appointed by the governor (ABCnews 2011; Sachteleben 2011).

Local Government Employment

In 2008, 22 million jobs were in the public sector (Spence 2011), which accounted for 15 percent of total US employment (Peterson 2011, 62). Local government employment in early 2011 was estimated to constitute about 64 percent of the 22 million public sector jobs (Whitehouse 2011, a2). Since 2008, the number of jobs eliminated in just local governments alone has been variously estimated at between 236,000 and 850,000, depending on who is doing the counting and how local government is defined (e.g., Bank of America 2011; Harkness 2011; Greenblatt 2011, 26; Peterson 2011; Whitehouse 2011, a2). In 2001, estimates are that state governments lost 70,000 jobs, while local governments lost 180,000 jobs (*Economist* 2012).

The consensus is that many local government jobs will not return after the great recession is over but rather are gone forever as people are replaced by technology. It is interesting to note that while 2011 was not a good year for US job creation, spending on equipment and software reached a historic high (*BloombergBusinessweek* 2012). As Thomas Friedman (2011, 11) so eloquently phrased it, “How did the robot end up with my job?”

The relationship between local governments and their employees is changing. Rarely does a week go by without reports in the media of some local government reducing its workforce. In a recent NLC survey, 72 percent of responding municipal financial officers reported that the most common response to budget shortfalls has been personnel reductions (Hoene and Pagano 2011). Additionally, employee furloughs and reductions in paid vacation days are becoming increasingly common practices (Rabin 2011; Schweers 2011; Walters 2011). In some local governments, unions are agreeing to public employee pay cuts in order to avoid layoffs. Two prime examples are San Jose, California, and Jacksonville, Florida (Walters 2011). In New Jersey, the state legislature has rolled back public sector employee benefits, granting local governments the largest employee cost reductions in recent memory (Perez-Pena 2010). As a result, New Jersey saw a 60 percent increase in public employee retirements in 2010, with an anticipated additional increase of 14 percent in 2011 (*BloombergBusinessweek* 2011a, 38). Local government employee “perks” are also rapidly disappearing. Stipends for car allowances, skill and certificate bonuses, longevity pay and others are being phased out (Ryan 2011).

The freezing and cutting of public employee salaries and wages provides both a short-term and long-term benefit to local governments. Level or declining public employee salaries and wages have an immediate budgetary benefit for local governments, but they also have a long-term benefit by reducing the basis upon which individual pensions are calculated (Miller 2011a).

In the face of all this adversity, local government employees are still apparently able to

maintain perspective. According to a recent Gallup-Healthways survey, local government employees enjoy a higher overall sense of well-being than do their nongovernment counterparts (Witters 2011).

Local Government Services

Reductions in revenues and the size of their workforces are having transformational impacts on local government service levels. Noncore functions such as libraries, parks, and recreation facilities have suffered substantial cutbacks (Schweers 2011). One city, Baltimore, Maryland has slashed funding for recreation centers despite rising youth crime rates. Even core local government services are not exempt. Chicago, Illinois has openly discussed layoffs for police, fire, and sanitation employees. In Florida, both city and county parks and recreation departments have been told they are “expendable” (Martin 2011).

Examples of reductions in local government service levels fall somewhere between creative and concerning. For example, several cities (e.g., Highland Park, Illinois; Colorado Springs, Colorado; Santa Rosa, California; Clintonville, Wisconsin, and others) have drastically darkened their cities at night by turning off street lights (*Denver Post* 2010; *New York Times* 2011c). Topeka, Kansas has announced that it will no longer prosecute misdemeanor cases, including instances of domestic abuse (Koppelman 2011). Even economic development agencies and programs are being affected. One might assume that an activity like economic development would be exempt from service reductions in a down economy. This is not the case. The California state legislature is holding 398 local government redevelopment agencies hostage until the state is paid \$1.7 billion in back property taxes that the agencies have used to improve blighted neighborhoods. The state’s threat to dissolve these agencies could result in severely curtailing local government plans to revitalize economically strapped communities and improve the underlying tax base (McGreevy 2011).

What Will the New Normal Look Like?

“New normal” thinking does not pretend to know precisely what the future holds for local government, but as stated previously, it is convinced that it will be substantively different than the past. If, as the “new normal” suggest, globalization has more control over the economy and public policies and government has less, then the optimum strategy for local governments is to proceed with caution. In a “new normal” world the go-go days of local government are over.

Much of what may represent “new normal” thinking and practices for local government may not be all that new. Many of the observations and suggestions that follow have been proposed in the past. What makes the situation different today is that “new normal” thinking is being driven by necessity. The fact that much of “new normal” thinking and practices have been proposed in the past, makes them appear less radical, if not more palatable.

Finances

The “new normal” for local government finances will most likely consist of restrained revenues and expenditures. Resistance to new taxes, while not exactly a new phenomenon, nevertheless does appear to be part of the “new normal” mind-set. No reason exists to assume that the antitax climate will disappear any time soon. The questionable viability of local governments increasing property and sales tax revenues is evidenced by the absence of such recommendations on the part of local government policy groups (NACo 2011; Mathers 2010). Only 15 percent of counties responding to a recent national survey reported they had increased property taxes and only 2 percent indicated they had increased sales taxes (NACo 2011, 7). Consequently, increasing property and sales tax revenues will probably not be viable options in a “new normal” for local governments.

The challenge for local governments will be finding citizen palatable methods of generating

additional revenues (Ward and Dadayan 2009; Chapman, 2008). The increased use of user fees may be the most palatable approach. User fees have several features that make them attractive sources of additional revenue for local governments: (1) they are not subject to tax revenue and expenditure limitations, (2) they are considered more equitable as only users pay them, and (3) they can generally be adopted without the necessity of a citizen vote (England, Pelissero, and Morgan 2011). The Government Finance Officers Association (GFOA 2011) recommends a long list of user fees including: building, parking and recreation fees, fees for responding to false alarms, title searches, tree planting, voter information, permit records, and others. An increase in the adoption of user fees is likely to be one method that will define the “new normal” for local government revenues.

Some local governments have been successful in increasing sales tax and tourist tax receipts by stricter enforcement. Orange County (Orlando) Florida recently reached an out of court settlement with Expedia.com over how the company computes its tourist tax liability. Under the terms of the settlement agreement, no specific amounts are mentioned. However, the estimate is that Orange County will receive additional tourist tax revenues of between \$5 and \$10 million (*Orlando Sentinel* 2011, a12).

Employment

The “new normal” for local government employment will most likely mean fewer jobs with fewer benefits. For much of the foreseeable future, local government salaries and wages are likely to be stagnant. The long-term economic effects of the great recession may well create a “lost decade” for local government salaries and wages (Miller 2011a, 2011b; Perez-Pena 2011). In past periods of fiscal austerity, public employee unions were spared the budget knife. The fiscal realities of the “new normal” for local government services will most likely require the reexamination of existing collective bargaining agreements (Gustafson 2011).

Going forward, local governments will continue to hire, but it is unlikely that help wanted signs will be plentiful. As attrition occurs through retirements, local governments will necessarily have to replace at least some positions. However, it would not be your father’s local government. Instead, new hires can expect to find vastly different compensation and benefit packages. Also, new hires will most likely be required to contribute to their defined contribution retirement plans.

Services

The “new normal” for local government services will entail making hard decisions about which services to keep, how to pay for them, and who should deliver them. A protracted period of sorting out may well take place as local governments visit and revisit: what they are legally obligated to do, what they believe they must do, and what they can stop doing (Walters 2011; Perlman 2011). As a prelude to coming to grips with the “new normal” for services, local governments will also have to engage in discussions about new forms and models of service delivery.

Finding new ways of delivering local government services will also be part of this sorting out (Brock 2009; Perlman 2011; Walters 2011a). The “new normal” for local government services will most probably include more consolidation, both within local governments as well as between local governments. In terms of within local government consolidations, the “new normal” will see the restructuring of both services and departments. For example, in Michigan, smaller cities are already merging their police and fire services into public safety departments. Likewise, Milwaukee County, Wisconsin is considering consolidating fire departments and public works departments (Johnson 2011). Even Chicago, Illinois has discussed merging some police and fire activities into a coordinated “public safety headquarters” (*Economist* 2011c). More consolidation of services between local governments may also become part of the “new normal.” Thirty-eight percent

of county governments responding to a recent National Association of Counties (NACo) survey report having been approached to consolidate services, with the most frequently mentioned being community and economic development, law enforcement, fire protection, and emergency medical services (EMS)/emergency medical technician (EMT) (NACo 2011, 9).

More public–private partnerships (P3s) with both the private sector and the nonprofit sector may also be part of the “new normal” as local governments search for ways to both fund and provide services and infrastructure. According to the Brookings Institute (Istrate and Puentes 2011), thirty-one states now have formal legislation enabling state departments and, in some cases, local governments to enter into P3s for the maintenance and construction of infrastructure and facilities. Additionally, some local government are looking to forge new types of noninfrastructure P3s with nonprofit organizations. For example, the city of Baltimore, Maryland wants to enlist nonprofits, businesses, and community groups in the operation of about 50 percent of the city recreation centers.

Other “new normal” approaches to consolidation of services may well involve more radical thinking. For example, Michigan Governor Rick Snyder has called for metropolitan approaches to local government that would consolidate city and county services. In New Jersey, serious consideration is being given to merging some of the state’s 566 cities, boroughs and townships (Perez-Pena 2010). Likewise, in Pennsylvania, consideration is being given to consolidating at least some of the state’s 2,652 boroughs (*BloombergBusinessweek* 2011b, 28).

Interestingly enough, the “new normal” for local government services may well include more privatization as well as less privatization (Warner 2010). The cities of New Haven, Connecticut; Detroit, Michigan, and Chicago, Illinois have all expressed renewed interest in privatization. Chicago has gone as far as leasing 36,000 city parking meters to an investor group (*BloombergBusinessweek* 2010).

Conversely, the city of New York may go in the opposite direction of “reverse privatization” and bring contracted services back in-house as a method of saving public sector jobs (Saul 2011). Either way, more or less privatization will likely be a part of the “new normal” for state and local government.

Strategies for Dealing with the New Normal

In light of the discussion above, several strategies are suggested that may assist local governments in dealing with the realities of the “new normal.”

1. Evaluate current services—what is legally required to be done, what is nice to do, and what can be discontinued?
2. Assess current service levels—what can be decreased?
3. Rethink service delivery—large numbers of local government employee have been laid off or have retired or are considering retirement. A window of opportunity exists to rethink, reorganize, and reengineer service delivery. Consolidating services and departments both internally as well as between governments should be part of this process.
4. Consider more privatization and less privatization—does the potential exist to privatize more services and activities? Also consider bringing some privatized services back in-house (reverse privatization). The change in service delivery approach by itself may result in new cost savings.
5. Explore more shared services—municipalities and counties may uncover new cost savings through intergovernmental contracts and joint powers agreements.
6. Improve tax collection—renew efforts to enforce and collect existing taxes.
7. Think user fees—identify local government services and activities that may be candidates for new user fees.
8. Un-freeze assets—long-term public–private partnership (p3) concessions and leases of roads, bridges, and

facilities can generate new revenue streams for local governments.

9. Automate, automate, automate—when ever possible.
10. Change pension plans—for new hires from defined benefit to defined contribution.
11. Health care and pensions—have employees contribute more toward their health care and pensions.
12. Educate citizens on the true costs of services—a public information program might result in more informed citizens that in turn may be more sympathetic to the challenges being faced by local governments.

Summary and Conclusion

This article has argued that the bursting of the housing bubble, the banking crisis, and the resulting great recession of 2008 has altered the landscape for local governments and ushered in a new reality for finances, employment, and services. The designation of choice for this new reality is the “new normal.” The “new normal” posits that globalization has altered the US economy and labor market with transformation implications for governments at all levels. The argument was also made that state and local governments have utilized the great recession as an excuse to implement “reforms” that have likewise assisted in altering the landscape.

A situational analysis of finances, employment, and services demonstrates how much the landscape of local government has already changed. When one considers the evidence, it is hard to imagine that local governments can return to anything approximating what existed ex ante the great recession. The situational analysis not only documents what is but also clearly has implications for what will constitute the “new normal” for local government going forward.

In the final sections of this article, some speculations were proffered as to what the “new normal” may come to look like, as well as, coping strategies local strategies might adopt. Much of what has been called the “new

normal” for local government is not really new in the strict sense of the term. What is new is the distinct possibility that many local government reforms that have been proposed in the past may now actually come to fruition. One is reminded of a comment attributed to Alfred Land, the inventor of the Polaroid camera. Land was fond of making the point that, “a new idea is often times nothing more than the abandonment of an old idea” (cited in *Economist* 2007, 12). The “new normal” for local government may simply be the abandonment of the old idea that finances, employment, and services will eventually return to their status ex ante the great recession.

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