

January 26, 2009

The Honorable Harry M. Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Reid, Senator McConnell, Speaker Pelosi and Representative Boehner:

The Council of State Governments (CSG), the only national association representing all three branches of state government, urges Congress and the Administration to engage state leaders in the development and implementation of a national economic recovery plan. CSG believes that any recovery package should include investments in programs critical to state economies, including infrastructure, education, and a temporary increase in the federal matching rate for Medicaid, while promoting state flexibility in program implementation.

While there remain differences of opinion among state leaders over the ideal scale and scope of an economic recovery package, CSG believes these investments are essential for meeting immediate economic needs while also addressing a mounting crisis in state finances that, if left unchecked, could lead to substantial reductions in critical state services. CSG also urges Congress and the Administration to avoid including restrictive provisions, such as strict maintenance of effort requirements, which limit the ability of state leaders to act quickly to meet individual states' economic conditions and to meet each state's unique needs.

In addition, CSG encourages Congress and the Administration to quickly reauthorize the State Children's Health Insurance Program (SCHIP). Improving health care access for our neediest citizens is a vital complement to any bipartisan recovery package. State flexibility has always been a hallmark of SCHIP and has contributed to its broad support. Flexibility to meet individual state circumstances should be maintained.

The Council of State Governments

2760 Research Park Drive • P.O. Box 11910 • Lexington, KY 40578-1910 • (859) 244-8000 • Fax (859) 244-8001 • www.csg.org

Eastern Office
New York
(212) 482-2320
www.csgeast.org

Midwestern Office
Lombard, Ill.
(630) 925-1922
www.csgmidwest.org

Southern Office
Atlanta
(404) 633-1866
www.slcatlanta.org

Western Office
Sacramento, Calif.
(916) 553-4423
www.csgwest.org

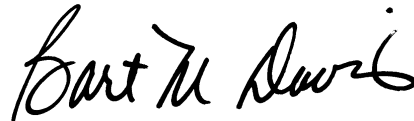
Washington Office
Washington, D.C.
(202) 624-5460
www.csg.org

We look forward to working with you to address these critical policy priorities.

Sincerely,



Governor Joe Manchin III
CSG President



Senator Bart Davis
CSG Chair



Governor M. Michael Rounds
CSG President-Elect



Senate President David Williams
CSG Chair-Elect