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**Support Temporary State Fiscal Relief, Cosponsor H.R. 5268**

March 26, 2008

Dear Representative:

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing to urge you to co-sponsor H.R. 5268, a bipartisan bill introduced by Representatives Frank Pallone, Jr., Peter King, John Dingell and Thomas Reynolds. The bill would provide urgently needed state fiscal relief through a temporary increase in the federal share of state Medicaid programs.

Half of the states are struggling to fill budget shortfalls totaling at least \$39 billion in fiscal year 2009, and as the economy continues to deteriorate more states will fall into budgetary crisis for several years. As a result of the state budgetary crisis millions of aging and disabled individuals and children will have their health care coverage cut or eliminated. Moreover, states in budget crisis are unable to help localities avoid cutting public safety, education, social services and health care due to local budget shortfalls from the precipitous drop in property tax revenues.

Medicaid spending represents 17 percent of states' general fund expenditures and is the largest component of state spending overall. Temporary state fiscal relief is needed to augment the current level of federal support for state Medicaid programs. Such support would help prevent states, which are bound to maintain balanced budgets, from being forced to take actions that would jeopardize the health care of millions of Americans. State fiscal relief is an effective and proven economic stimulus. Every dollar invested in state and local government will yield \$1.36 in economic activity.

States are in a dire situation and need Congress to act. We urge you to co-sponsor H.R. 5268 to provide states with temporary, targeted and timely fiscal relief.

Sincerely,

Charles M. Loveless  
Director of Legislation

CML:lb:gm