



The Office Of
State Treasurer
Denise L. Nappier

News

FOR IMMEDIATE RELEASE

June 17, 2010

CONNECTICUT STATE TREASURER CALLS ON CONGRESS TO EXTEND FEDERAL MEDICAID PAYMENTS TO CONNECTICUT

State Treasurer Denise L. Nappier was joined today by a coalition of state treasurers and other public financial officers from around the country in urging Congress to pass a six-month extension of the enhanced federal Medicaid payments made to states.

In a letter to House Speaker Nancy Pelosi and Senate Majority Leader Harry Reid, the coalition noted that at least 47 states are facing budget shortfalls this year, and the extension of the enhanced Medicaid Federal Medical Assistance Percentages (FMAP) is crucial to helping states further weather the financial storm and preserve much-needed jobs.

“While the economy shows signs of improvement, crucially important is protecting jobs and maintaining the fragile national recovery. The loss of 22,000 state and local government jobs in May, coupled with a weaker than expected private sector gain of 45,000 jobs, is a signal that Congress must act immediately,” the coalition wrote. The full text of the letter is below.

Also signing on to the letter to Speaker Pelosi and Majority Leader Reid were New York State Comptroller Thomas DiNapoli; New York City Comptroller John Liu; Ohio State Treasurer Kevin L. Boyce; California State Controller John Chiang; Iowa State Treasurer Michael L. Fitzgerald; Los Angeles City Controller Wendy Greuel; Washington State Comptroller Sadie Rodriguez-Hawkins; Illinois State Comptroller Daniel W. Hynes; Colorado State Treasurer Cary Kennedy; Pennsylvania State Comptroller Anna Maria Kiehl; Michigan State Treasurer Robert J. Kleine; Maryland State Treasurer Nancy K. Kopp; New Mexico State Treasurer James B. Lewis; California State Treasurer Bill Lockyer; Colorado State Controller David J. McDermott; Washington State Treasurer James L. McIntire; Oregon State Controller John J. Radford; Florida Chief Financial Officer Alex Sink; Nevada State Controller Kim R. Wallin; and Arkansas State Finance Director Richard A. Weiss.

The coalition referenced the turbulent fiscal condition of the nation and that the extension of FMAP would help prevent a “double dip” recession.

“As Chief Financial Officers, we understand the need to restrain federal spending but are concerned that cutting enhanced FMAP may be devastating to not only our safety net, but to our fragile economic recovery. We are committed to making sure that states and cities maximize enhanced FMAP dollars to spur economic growth and job creation and ask that Congress passes this important extension,” the letter concluded.

June 17, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 Capitol Building
Washington, DC 20515

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Pelosi & Majority Leader Reid,

We write to urge Congress to immediately pass a six-month extension of enhanced federal Medicaid payments to states. Last year, Congress enhanced Medicaid's Federal Medical Assistance Percentage (FMAP) as part of the American Recovery and Reinvestment Act (ARRA). This critical federal support has allowed states to better weather the economic downturn without slashing jobs and vitally important programs. ARRA's enhanced FMAP is scheduled to end on December 31, 2010. Extending the enhanced FMAP funding for six months, until June 30, 2011, is essential.

At least 47 states are facing massive budget shortfalls in the coming fiscal year. While states previously cut services and programs, demand keeps growing for safety net programs. With most state fiscal years set to begin shortly, many state and city governments already relied on increased matching funds to close more than a fourth of the \$89 billion in cumulative budget shortfalls projected for fiscal 2011.

While the economy shows signs of improvement, crucially important is protecting jobs and maintaining the fragile national recovery. The loss of 22,000 state and local government jobs in May, coupled with a weaker than expected private sector gain of 45,000 jobs is a signal that Congress must act immediately.

As Chief Financial Officers, we understand the need to restrain federal spending but are concerned that cutting enhanced FMAP may be devastating to not only our safety net, but to our fragile economic recovery. We are committed to making sure that states and cities maximize enhanced FMAP dollars to spur economic growth and job creation and ask that Congress passes this important extension.

Sincerely,

Denise L. Nappier
Connecticut State Treasurer

Thomas DiNapoli
New York State Comptroller

John Liu
New York City Comptroller

John Chiang
California State Controller

Nancy K. Kopp
Maryland State Treasurer

Bill Lockyer
California State Treasurer

Wendy Greuel
Los Angeles City Controller

Robert J. Kleine
Michigan State Treasurer

James B. Lewis
New Mexico State Treasurer

James L. McIntire
Washington State Treasurer

David J. McDermott
Colorado State Controller

Daniel W. Hynes
Illinois State Comptroller

John J. Radford
Oregon State Controller

Kim R. Wallin
Nevada State Controller

Alex Sink
Florida Chief Financial Officer

Anna Maria Kiehl,
Pennsylvania State Comptroller

Sadie Rodriguez-Hawkins
Washington State Comptroller

Kevin L. Boyce
Ohio State Treasurer

Michael L. Fitzgerald
Iowa State Treasurer

Richard A. Weiss
Arkansas State Finance Director

Cary Kennedy
Colorado State Treasurer

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