



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

Joe Hackney
*Speaker of the House
North Carolina
President, NCSL*

Gary VanLandingham
*Director, Office of Program
Policy Analysis and Government
Accountability (OPAGA)
Staff Chair, NCSL*

William T. Pound
Executive Director

November 12, 2008

The Honorable Barack Obama
President-elect of the United States
451 6th Street, NW
Washington, DC 20270

Dear President-elect Obama:

The National Conference of State Legislatures (NCSL) believes it is critical that federal fiscal proposals to revitalize the economy recognize and account for the critical link between states and the national economy. We applaud you for including in your blueprint for changing the economy a State Growth Fund, Jobs Growth Fund and a National Infrastructure Bank. These proposals would ease the fiscal pressures on states, create thousands of jobs and, as a result, accelerate economic growth. We are further encouraged with the support you have expressed for enactment of an immediate economic stimulus plan as part of a longer-term effort for economic recovery.

As you know, 49 states have requirements to balance their budgets each year. During uncertain economic times, the decisions that state legislatures and governors have to make to keep their budgets balanced—cutting spending, raising taxes or both—can have the pro-cyclical affect of deepening and prolonging any slump. By June 2008, thirty-one states already reported that they addressed a cumulative \$40 billion shortfall in their FY 2009 budgets, more that triple the amount they reported in FY 2008. Preliminary information indicates more budget gaps are opening. NCSL will release an updated report on state budget conditions in early December and share this report with you and your transition team.

We are attaching for your consideration options for stimulating the American economy that we believe are consistent with your vision for helping families and those who have lost their jobs. These options would immediately create sorely-needed economic activity (see infrastructure option) and assist those most disadvantaged and affected by the economic downturn (see Medicaid, unemployment benefits, food stamps and child support options). The options also provide guidance for bringing fairness to Main Street regarding sales and use tax collections and for determining future federal tax policy that you identified as a key component for economic recovery.

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Thank you in advance for your consideration of these options. We would welcome the opportunity to discuss them further with the appropriate members of your transition team. Michael Bird (Michael.bird@ncsl.org; (202)624-8686) or Molly Ramsdell (Molly.Ramsdell@ncsl.org; (202) 624-3584) in NCSL's Washington, D.C. office can assist with arranging a meeting.

Sincerely,

A handwritten signature in black ink that reads "Joe Hackney". The signature is written in a cursive style with a large, sweeping "J" and "H".

Representative Joe Hackney
North Carolina House of Representatives
President, NCSL

Attachment: NCSL Recommendations for an Economic Stimulus Package