



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

August 31, 2011

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, D.C. 20510

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

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

Stephen Morris
*Senate President
Kansas Senate
President, NCSL*

Michael P. Adams
*Director, Strategic Planning
Virginia Senate
Staff Chair, NCSL*

William Pound
Executive Director

RE: NCSL Deficit Reduction Priorities

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

The National Conference of State Legislatures (NCSL) recognizes the importance of the Joint Select Committee on Deficit Reduction in achieving at least \$1.2 trillion in deficit reduction savings. As states continue to face fiscal challenges in balancing their budgets, it is essential that the federal government does not export deficit savings to state and local governments. We urge the joint committee's examination of all possible avenues for deficit reduction, including discretionary spending, entitlement reform and revenue-related options. Our core deficit reduction concerns are as follows.

- **UNFUNDED FEDERAL MANDATES.** Impose no new unfunded federal mandates; expand the definition of an unfunded mandate to include new conditions of grant aid; broaden application of UMRA; and conduct UMRA analysis of the joint committee's recommendations.
- **MEDICAID.** Provide relief from maintenance of effort requirements; establish countercyclical trigger for enhanced Medicaid federal match in economic downturns/recessions; enhance program flexibility; and clarify that beneficiaries and providers have no private right of action to enforce rights granted under the Medicaid program.
- **ECONOMIC INVESTMENTS.** Infrastructure programs, such as those for surface transportation and environmental state revolving fund programs, should be continued at funding levels sufficient to continue the economic benefits they provide. Additionally, as stated in the Bowles-Simpson deficit reduction recommendations, programs serving low-income populations should be held harmless from spending reductions.

- **PREEMPTION.** State authority should be upheld in areas such as medical malpractice and tort law and public employee exclusive participation in state retirement and pension systems.
- **STREAMLINED SALES TAX.** Enact the Main Street Fairness Act which will authorize the collection of state and local sales and use taxes from remote sellers.
- **PUBLIC SAFETY.** Designate proceeds from auction of the spectrum to establish a nationwide interoperable communications system for state and local government first responders.

We look forward to working with you on these and other issues to meet our shared fiscal responsibilities.

Respectfully,



Senator Stephen R. Morris
Senate President, Kansas
President, NCSL



Terie Norelli
House Democratic Leader, New Hampshire
President-Elect, NCSL
Co-Chair, NCSL Deficit Reduction Task Force



Rosie Berger
Member, Wyoming House of Representatives
Co-Chair, NCSL Deficit Reduction Task Force

Cc: The members of the Joint Select Committee on Deficit Reduction