

**THE COUNCIL OF STATE GOVERNMENTS
RESOLUTION SUPPORTING AN INCREASE IN THE FEDERAL MEDICAID
ASSISTANCE PERCENTAGE IN A CONGRESSIONAL
ECONOMIC STIMULUS PACKAGE**

WHEREAS, at least 39 states face serious budget deficits, totaling more than \$60 billion dollars, and ranging from \$11 billion for California to \$1.5 billion for New York, to \$458 million for Alabama and \$294 million for Kentucky, to \$24 million for Mississippi and Vermont;

WHEREAS, state income tax revenues are expected to continue to decline given the loss of 240,000 jobs in October, bringing total job losses to nearly 1.2 million jobs for the first ten months of 2008;

WHEREAS, according to the U.S. Labor Department's statistics, the unemployment rate rose to 6.5% in October 2008 from 6.1% in September 2008, and is the highest unemployment rate since March 1994;

WHEREAS, Medicaid provides health coverage and long term care support services to 44.5 million people in low income families and nearly 14 million elderly and disabled people;

WHEREAS, states can expect an increase in Medicaid enrollment and program spending as the economy weakens and more individuals become eligible;

WHEREAS, Medicaid accounts for about 22 percent of state budgets, second only to education in spending; and

WHEREAS, states are required to balance budgets, so that as state revenues decline and rainy day funds are exhausted, the only choice left to states is to cut services;

WHEREAS, most economists agree that an effective national economic stimulus package should include temporary and targeted assistance to boost aid to state and local governments to offset shrinking revenues;

BE IT THEREFORE RESOLVED that the Council of State Governments supports a temporary increase in the Federal Medicaid Assistance Percentage (FMAP) as part of an economic stimulus package of state aid to offset reductions in tax receipts.

BE IT THEREFORE FURTHER RESOLVED that the Council of State Governments supports Federal legislation to establish a provision to automatically increase the Federal Medicaid Assistance Percentage (FMAP) in the event of certain defined triggering events, such as an economic downturn, a natural disaster, an act of terrorism, or a public health emergency.

Adopted this 6th day of December, 2008 at the CSG 75th Anniversary Celebration and Annual Meeting in Omaha, Nebraska.



Governor M. Jodi Rell
2008 CSG President



Rep. Kim Koppelman
2008 CSG Chair