



**STATE OF VERMONT**  
GENERAL ASSEMBLY

September 22, 2008

The Honorable Patrick Leahy  
United States Senate  
Russell Senate Office Building  
Washington, DC 20510

The Honorable Bernard Sanders  
United States Senate  
332 Dirksen Building  
Washington, DC 20510

The Honorable Peter Welch  
United States House of Representatives  
1404 Longworth House Office Building  
Washington, DC 20510

**RE: Stimulus Package**

Dear Senators Leahy, Sanders, and Representative Welch:

We appreciate the work you are doing on a second stimulus package, in part to help the states. As you know, Vermont faces serious fiscal issues spanning LIHEAP and general budgetary areas.

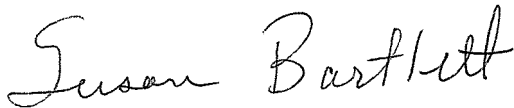
We are concerned about how Vermont will fair in the enhanced FMAP proposal currently being considered. Vermont faces a \$45 million to \$55 million deficit in our Medicaid program. Under the "recession index" proposal for enhanced match, Vermont would likely fall into the lowest tier and receive only 1% more in Medicaid match, far less than the maximum of 4%. In part, this is due to Vermont avoiding the direct impact of the mortgage foreclosure problem and related housing issues.

However, Vermont has experienced fiscal problems attributable to the mortgage crises and its impact on the general economy, and has serious financial issues due to the price of oil and our extremely vulnerable economy.

We are asking that an alternate standard or a small state minimum be included in the stimulus proposal, to increase Vermont's share of the relief proposal.

We do not think states that have worked hard to maintain a stable housing finance market, yet are experiencing the financial implications of the national downturn, should be deprived of the relief – especially in regards to Medicaid.

Sincerely,



Senator Susan Bartlett,  
Chair, Legislative Joint Fiscal Committee  
Chair, Senate Appropriations Committee



Senator Ann Cummings  
Member, Legislative Joint Fiscal Committee  
Chair, Senate Finance Committee



Representative Martha Heath,  
Member, Legislative Joint Fiscal Committee  
Chair, House Appropriation Committee



Representative Michael Obuchowski,  
Vice Chair, Joint Fiscal Committee  
Chair, House Ways & Means Committee