

United States Senate

WASHINGTON, DC 20510

January 8, 2009

Peter R. Orszag
Director-designate
Office of Management and Budget
The President's Transition Team
Washington, DC 20270

Dear Director-designate Orszag:

As the 111th Congress and incoming Presidential Administration continue to work together on an economic stimulus measure, we urge you to support including additional assistance to states that suffered from very significant natural disasters in 2008 in the measure. Specifically, we ask that states which suffered from a significant disaster or disasters in 2008, as demonstrated by having received \$100 million or over in FEMA assistance to help compensate for those disasters, have their FEMA matching requirements waived from the date of the disaster through 18 months after the enactment of the stimulus measure. That sum would include individual, public, and mitigation payments.

In order to cope with the wider economic recession, states across the country have been forced to make major across the board budget cuts. Our states, which also are faced with a revenue loss as a result of these disasters, must make sizeable payments to cover their FEMA match requirement on top of these cuts. Iowa, for example, is likely to be required to pay over \$200 million in FEMA match, as revenue estimates indicate a need to cut the next fiscal year budget by \$500 million. In many cases, the burden of matching assistance is placed on local jurisdictions most impacted by the disaster and least able to provide the required match.

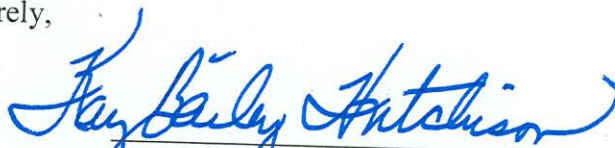
To help ease the economic burden on all state governments, assistance in the form of a reduction in Medicaid match has been widely discussed. We believe that a similar reduction in the FEMA match requirement is also necessary for our states, so that they can continue to cope with the unforeseen and additional burden of recovering from these disasters during tough economic times.

We appreciate you taking the time to consider this issue, and we look forward to continuing to work with you as we consider ways to help revitalize our economy.

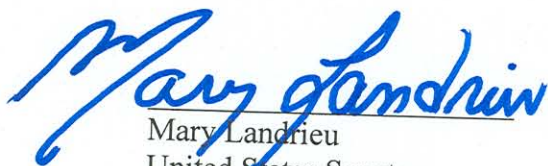
Sincerely,



Tom Harkin
United States Senator



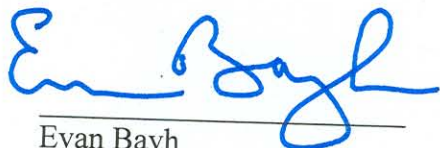
Kay Bailey Hutchison
United States Senator



Mary Landrieu
United States Senator



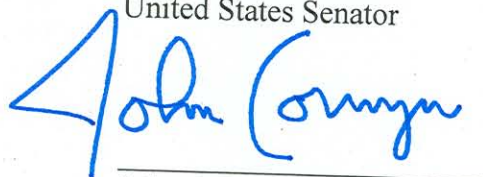
Charles Grassley
United States Senator



Evan Bayh
United States Senator



David Vitter
United States Senator



John Cornyn
United States Senator