August 31, 2011

The Honorable Patty Murray
United States Senate
SR-448 Russell Senate Office Building
Washington, DC 20510

Dear Senator Murray:

I am writing to you in my capacity as President of the National Association of Counties (NACo). As you and your colleagues on the Joint Select Committee on Deficit Reduction discuss efforts to control the rising federal deficit we believe that serious consideration should be given to the role of state and local governments as representatives of our mutual constituents. NACo has adopted four key principles which we believe should guide discussions as options are being considered. They are:

1. The budgetary deficit cannot be solved only by cutting domestic, non-military discretionary programs.
2. Deficit reduction should not be accomplished by shifting costs to counties, (e.g. cuts to Medicaid), imposing unfunded mandates, or by preempting county programs or taxing authority.
3. Federal assistance to state and local governments will help mitigate further public-sector layoffs.

County governments are partners with the states and the federal government in providing important programs and services to the American people. Our “special interests” are our constituents, who have put their trust in us as public servants to adopt sound fiscal policies while providing for the basic services they pay for. NACo supports a balanced approach to tackling America’s debt.

As various budget scenarios are analyzed, all expenditures should be considered, including defense, foreign aid and federal entitlement reform, along with other domestic spending. Additionally, revenue enhancements should not be left "off the table". Although reducing discretionary domestic spending is part of the answer, it cannot -- and should not -- be the only sector that is considered. If there is to be pain it must be shared. We urge committee members not to solely rely on one area in reducing our debt to the exclusion of others. It is a fact that non-military discretionary programs make up only about 12 percent, or approximately $480 billion, of the $3.6 trillion annual federal budget. We believe that last month’s debt ceiling agreement relies too heavily on reductions to domestic spending, while giving insufficient consideration to increasing government revenues and reducing spending in other areas. The reductions contained in the debt ceiling agreement will endanger the provision of essential services to our citizens over the next ten years. The Committee should ensure that comprehensive budget deficit reductions are just that comprehensive.
Although it may sound counter-intuitive, investments in our local and state governments is a sound strategy that will promote job creation and jump start the economy. Over 500,000 jobs have been lost over the last three years in the government sector, which has added to the unemployment rolls while contributing to the private sector’s reluctance to increase job-creating investments. Investing in public servants and infrastructure development has proven to be successful in getting our nation to reverse the downward spiral of job losses, increased unemployment, skittishness in the marketplace and lack of private investment. The committee should recognize that reinvigorating contracts between the private and public sectors is a sound strategy for future growth.

As the committee discusses deficit reduction, we also urge you to avoid shifting costs to state and local governments in order to “find” elusive savings. State and local governments, which must balance their budgets annually, will need flexibility in dealing with unnecessary and onerous government regulations and increased mandates, which should be rejected. With regard to tax reform, we urge the committee to reject ideas that may limit our ability to seek new revenues in order to balance our budgets and to provide for constituent needs.

As representatives of all of America’s counties and our mutual constituents, we stand ready to work with committee members in finding practical and responsible solutions to America’s debt crisis.

Sincerely,

Lenny Eliason
President