



AMERICANS FOR LIMITED GOVERNMENT

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May 27th, 2010

United States House of Representatives and Senate
WASHINGTON, D.C. 20510

To the Members of the U.S. Congress:

While the national debt has surpassed \$13 trillion this week, and the nation's Triple-A bond rating is threatened with the ongoing sovereign debt crisis, we were disappointed to learn that Congressional leadership has decided to once again plough ahead with its deficit-spending, pay-later policies of offering unlimited guarantees to insolvent states like New York and California. This time, Congress is offering \$23 billion to the states to pay for public education funding.

This comes atop \$53.6 billion that was given to the states in the 2009 "stimulus" bill, and is the second time Congress has attempted to enact a \$23 billion state education bailout. The first was in HR 2847, which passed the House 217-212 on December 16th, 2009 as part of a wider \$154 billion bill intended to spend paid-back Trouble Asset Relief Program monies to balance state budgets.

However, HR 2847 had most of its provisions stripped out when it was finally passed in the Senate, including the \$23 billion bailout. Ever since then, the White House has been desperate to have the fund included somewhere in the appropriations process to forestall unfortunate but necessary cuts in state budgets. The effort to now have it added to HR 5136, a defense appropriations bill, is just the latest attempt to pay back public sector unions for their political loyalty to the Congressional majority.

It's a kickback. It's a bailout. And it's just the sort of thing that has the American people up in arms. While citizens are tightening their belts in these tough economic times, government employees and elected officials are increasing debt, and endangering future generations with economic stagnation, inflation, greater interest rates, and higher taxes.

[According to a recent USA Today story](#), "Paychecks from private business shrank to their smallest share of personal income in U.S. history during the first quarter of this year, a USA TODAY analysis of government data finds. At the same time, government-provided benefits — from Social Security, unemployment insurance, food stamps and other programs — rose to a record high during the first three months of 2010." So, while the American people suffer, government is lining its pockets at taxpayer expense.

Americans for Limited Government urges your opposition to this failed approach, which will create an incentive for states to continue to follow the failed, insolvent policies of New York and California. Making matters worse, this bill will disincentivize the prudent path that New Jersey has taken under Governor Chris Christie's leadership in recent months, which [because of the spending freeze undertaken, New Jersey will not have to raise taxes this year to balance the budget](#).

We urge you to reject the New York and California plan to perpetual bailouts and deficit-spending, and instead, for the sake of taxpayers, to adopt the New Jersey plan of fiscal solvency by making the tough decisions to slash spending.

Sincerely,

A handwritten signature in black ink, reading "William A. Wilson". The signature is written in a cursive style with a long, sweeping tail on the final letter.

William Wilson
President
Americans for Limited Government