

TO: Commissioners, Council Members, Executives, Chief Clerks, Administrators
(Please copy and distribute)

FROM: Kristen Goshorn, Government Relations Manager

DATE: August 5, 2010

RE: FMAP Update

The U.S. Senate voted today (61 to 39) to approve a scaled-down FMAP extension that will provide some assistance to states. PA expects its share to amount to about \$595 million of the \$850 million anticipated in the budget. The U.S. House is to be called back to Washington sometime next week to vote on the bill. Governor Rendell and legislative leaders plan to meet next week as well to discuss what cuts need to be made to balance the budget in light of the reduced amount. State leaders are also analyzing the impacts of additional education funding included in the same bill that will provide another approximate \$378 million for schools and whether this funding can be used to offset the impact to non-education related line items. When they meet to discuss cuts, the Governor may call for across the board reductions but Senate Republicans are expected to seek reductions in education as the only area in the budget that has received increases consistently in the last several years.

Please thank Senators Specter and Casey for their support to protect counties. Contacts to your U.S. House members are still in order. We also urge you to continue to make contacts to House and Senate leaders, the Governor, and your rank and file members to urge them to oppose any additional cuts to county line items in the FMAP contingency plan.