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DOGGETT

STATE OF TEXAS

November 28, 2001

The Honorable Lloyd Doggett  
U.S. Representative  
U.S. House of Representatives  
Cannon House Office Building, Room 328  
Washington, D.C. 20515

Dear Congressman Doggett:

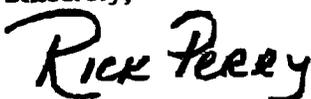
As you complete your work this year, we are writing to ask your support for continuation of the Temporary Assistance for Needy Families (TANF) Supplemental grant, for increases in the federal matching rate for Medicaid, and for accelerated Reed Act distributions. These items are crucial for Texas; the slowdown of the economy reduces state revenues at the very time that needs for these vital services are increasing. We have been making gains in helping people get back to work through productive uses of TANF funds, but economic conditions and next spring's state TANF waiver expiration increases the state's need to provide job readiness and other types of support services. Continuation of the supplemental TANF grant through FY 2002 would provide Texas with an additional \$53 million and is critical to addressing these needs.

A temporary increase in the federal matching rate for Medicaid is also crucial. Demand for Medicaid is increasing, but the methodology for calculating the federal matching rate does not reflect recent changes in the economy. Proposals that would roll back FY 2002 Federal Medicaid Assistance Percentage (FMAP) decreases, provide temporary increases to all states, and add temporary additional increase for states with high unemployment, without additional federal requirements, are all extremely important to the state's efforts to assure health care coverage for Texans.

The proposal recently approved by the U.S. House of Representatives to distribute \$9.2 billion in Reed Act funds to the states would be of significant help to Texas in ensuring the solvency of our unemployment trust fund. Texas would receive approximately \$644 million under the proposal. Without this or similar assistance, employers in our state may be required to pay higher unemployment taxes, making the economic recovery for Texas and the nation even more difficult. We are hopeful the Reed Act funds will be authorized and distributed to states during this particularly challenging period of rising unemployment costs.

Please let us know how our offices can be of assistance to you in your work on these issues. We appreciate all you are doing and will do whatever we can to help.

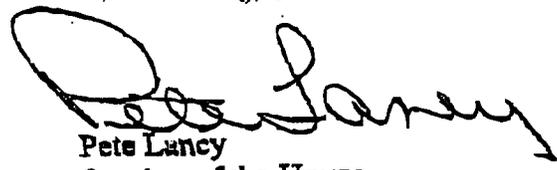
Sincerely,



Rick Perry  
Governor



Bill Ratliff  
Lieutenant Governor



Pete Lancy  
Speaker of the House