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January 20, 2009

Honorable James P. Moran  
2239 Rayburn Building  
Washington, DC 20515

Dear Congressman Moran:

Thank you for taking the time to brief local officials and other constituents on the economic stimulus package that is under development. This letter is a follow-up to your request for more information about concerns we expressed during the briefing. While time has not permitted extensive vetting of this letter, based on my regional work through the Northern Virginia Regional Commission and Council of Governments, I believe that these comments are reflective of other city/county administrators.

The bottom-line is that local governments are ready and willing to implement an economic stimulus program with speed and efficiency. We can do so in virtually any policy area that is a priority to the Congress and the new Administration, including the environment, housing, public safety, transportation, education, and basic infrastructure. We perform these functions everyday.

In our discussions on Friday, we identified two factors that could reduce the effectiveness and efficiency of implementation that must be remedied in the legislative process: (1) non-supplanting rules and (2) passing funds through the states.

**Non-supplanting rules** served a rational purpose in their original construction. They were applied to programs where the federal government had an explicit objective to expand services in a particular policy area. For example, the COPS program was intended to put more police officers on the street. By prohibiting supplanting, the federal government sought to avoid funding services that would have otherwise been provided without federal support.

That is not the environment today. Given the dramatic decline in local tax revenues, local governments are forced to reduce services and employment levels.

Local government managers currently project a **decrease of over 1,200 positions in local governments across Northern Virginia** for the fiscal year that begins in July (based on a survey of 13 jurisdictions in Northern Virginia on Friday, January 16th). Only two small towns think that they can retain their current workforce. Most local governments have implemented hiring freezes and have been reducing employment for several months.

It is important to note that the projection of 1,200 job losses is based on the following critical assumptions: (1) the economy stabilizes and does not further deteriorate and (2) that local governing bodies will impose higher tax rates to offset some of the decline in property values. If either of these assumptions fails to materialize, job losses will be greater, potentially twice as high.

This is an extraordinary situation, which is exactly why an immediate economic stimulus package is needed. Federal assistance is critical to mitigate the decline in current service levels. This is not business as usual. Non-supplanting requirements in a stimulus package would render the assistance virtually unusable, especially in areas where it is needed the most. The same is true for states.

The second issue is passing stimulus aid through states. To the maximum extent possible, we strongly urge the Congress to use mechanisms that directly fund local governments and avoid the non-value added step of passing the funds through the states. Direct funding will get the funds on the streets quicker and more efficiently.

Again, I thank you for taking the initiative to meet personally with us and provide an opportunity to contribute to the efforts so that you and other Members of Congress can quickly fashion a stimulus package to put America back on a sound economic track. We stand ready to work with you any way that we can.

Sincerely,



Ron Carlee  
County Manager

Copy: Arlington County Board  
Northern Virginia Chief Administrative Officers  
Chief Administrative Officers, National Capital Region