



Office of the Governor

JIM GIBBONS
GOVERNOR

March 10, 2009

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President,

Please accept this letter as the required certification under Section 1607 of the American Recovery and Reinvestment Act of 2009 ("ARRA").

As a firm believer that our citizens are best served by a smaller, more efficient, government I have my concerns about the magnitude of the stimulus package. I am concerned that future generations will be burdened with this sizeable and unprecedented debt.

Separately, I believe the federal requirements or "strings" associated with specific funding streams within the ARRA will have the effect – intentional or not – of institutionalizing programmatic expansions which the federal government will not fund beyond this stimulus action. Once this bill expires, states will be forced to pare back benefits to pre-stimulus levels or raise taxes to continue to provide these federally mandated expansions.

With these concerns in mind, I would like to also provide notification that there may be portions of the Stimulus package that Nevada will reject, due to the constraints and current matching or future funding expectations that the funding would require.

Of significant further concern is the fact that the ARRA returns federal money to Nevada at a rate significantly lower than what our taxpayers pay in federal taxes. This "donor status" is indefensible, considering Nevada finds itself one of the hardest hit states during this current economic downturn. We are experiencing record unemployment rates and unprecedented shortfalls in state revenues needed to adequately fund core government services such as education, public safety and healthcare. Without a change in

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the economic landscape we will see continued increases in unemployment and decreases in state revenues.

Despite my reservations about the scope and magnitude of the ARRA, the funds will provide relief to otherwise necessary state budget reductions and will provide jobs in Nevada. Of course, even with ARRA funds, Nevada faces historic revenue shortfalls and must take dramatic action to reduce spending and continue to provide core government services for our citizens.

It is my continued belief that the best way to stimulate the economy is not with additional regressive taxes but with low taxes, controlled government spending, and a sensible regulatory environment. The private sector needs to be encouraged to create jobs, not discouraged from growth out of fears of increased taxes.

While we have philosophical differences on the best solutions for Nevada and the country during this economic crisis, we have a responsibility to each American to work towards a better tomorrow.

For these reasons, I hereby certify that the State of Nevada will request and use funds provided by the ARRA and that these funds will be used to create jobs and promote economic growth.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Gibbons". The signature is fluid and cursive, with the first name "Jim" being particularly prominent.

JIM GIBBONS
Governor