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“Stimulus” Fact of the Day: Gov. Sanford “First Order of Business: Stop Digging”

WASHINGTON, D.C. – Americans for Tax Reform applauds Gov. Mark Sanford's decision to not accept the money from the Pelosi-Obama-Reid trillion dollar spending and debt package as offered, and to instead apply for a federal waiver to use \$700 million in stimulus funds he is given control over to pay down the state's debt, rather than spend on local programs. Critics of the package have been pointing out that the federal money isn't "free" but comes with strings attached, and would place long-term liabilities on the states, as for example the requirement to extend unemployment benefits.

In a letter to South Carolina's General Assembly, Gov. Sanford explained his decision: "The reason we think it is not in our best interest to spend these monies lies in the fact that when one is in a hole the first order of business is to stop digging."

However, House Majority Whip James Clyburn, D-S.C., crafted a clause in the "stimulus" package that allows state legislatures to bypass governors who reject the money. Since the South Carolina State legislature has already approved legislation to incorporate \$350 million in "stimulus" money in the 2009-10 state budget there is a strong likelihood that the legislature will override Sanford's decision should the President grant the waiver.

“Governor Sanford is demonstrating real leadership on this issue – and I would hope more governors would join him in rejecting the poison pill the federal government is sending them,” said Grover Norquist, president of Americans for Tax Reform. **“The states are already suffering from chronic overspending, and while now would be the time to tighten the fiscal belt for state governments, this one-time cash infusion comes with strings attached and only adds fuel to the fire in creating more long-term liabilities. As Gov. Sanford says – it is time to stop digging. Hopefully the Legislature will join Sanford in putting the shovels down.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. The Center for Fiscal Accountability, a project of Americans for Tax Reform, seeks to shed a light on government expenditures, and to promote transparency, accountability, and restraint in government finance. For more information or to arrange an interview please contact John Kartch at (202) 785-0266 or by email at jkartch@atr.org.

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