



Senate

General Assembly

File No. 494

January Session, 2003

Substitute Senate Bill No. 878

Senate, April 23, 2003

The Committee on Government Administration and Elections reported through SEN. DEFRONZO of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING MAXIMIZATION OF FEDERAL FUNDS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2003*) (a) Each state agency shall
2 (1) maximize the extent to which it accesses federal funds that are
3 available to states from the federal government, and (2) annually
4 assess the federal funds that such agency accesses, the federal funds
5 that it could but does not access and the reasons it does not access such
6 funds, and which funds it may access in the future. Not later than
7 January first, annually, each state agency shall submit a report on its
8 progress, findings and recommendations under subdivisions (1) and
9 (2) of this subsection, to the Office of Policy and Management, the joint
10 standing committee of the General Assembly having cognizance of
11 matters relating to appropriations to state agencies, and the Office of
12 Fiscal Analysis.

13 (b) The Office of Policy and Management, in consultation with the

14 Office of Fiscal Analysis, shall recommend and design actions that may
15 be taken to increase the level of federal funds accessed by the state,
16 including, but not limited to, potential applications for competitive
17 grants, qualifications for bonus awards such as welfare bonuses, child
18 support federal incentive payments, adoption bonuses and new food
19 stamp performance bonuses, the maximization of federal Medicaid
20 funds, and applications for new health, human service education and
21 homeland security resources, when available.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Policy & Mgmt., Off.; Legislative Mgmt.	GF - Cost	Minimal	Minimal
All	GF - Cost	Minimal	Minimal
All	GF - Revenue Gain	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Policy and Management (OPM) to consult with the General Assembly's Office of Fiscal Analysis (OFA) to develop recommendations and design actions to maximize federal revenue. These actions shall include the development of possible applications for competitive grants, the qualifications for bonus awards, the maximization of Medicaid funds and the applications for certain new funds when they become available. It is anticipated that OPM and OFA will incur minimal costs to develop these recommendations and design actions.

Additionally, the bill requires all state agencies to assess federal funds that are available and annually assess the federal funds that the agencies access, the federal funds that it could but does not access and the reasons it does not access such funds, and the funds it may access in the future. Each state agency is required to annually report their findings to OPM, OFA and the Appropriations Committee. Currently, many state agencies assess federal funds that may be available to them, and for these agencies no additional costs would result, yet agencies that do not perform such analysis may incur costs. All state agencies

would incur minimal costs to annually report the reasons the agencies do not access federal funds and identify which funds it may access in the future. To the extent that agencies are successful in obtaining federal funds they would not have otherwise identified or applied for, a potentially significant revenue gain may result.

OLR Bill Analysis

sSB 878

AN ACT CONCERNING MAXIMIZATION OF FEDERAL FUNDS**SUMMARY:**

This bill requires the Office of Policy and Management (OPM) to consult with the Office of Fiscal Analysis (OFA) and develop recommendations and a plan to increase the level of federal funds the state receives. OPM must consider:

1. possible applications for competitive grants;
2. qualifications for bonus awards;
3. the maximization of Medicaid funds; and
4. applications for new health, human service education, and homeland security resources when they become available.

The bill requires each state agency to maximize its access to federal funds and make an annual assessment of the federal funds it receives, may receive in the future, and could receive but does not, along with the reasons it does not. Each agency must report on its findings and recommendations to OPM, OFA, and the Appropriations Committee by January 1 every year.

EFFECTIVE DATE: July 1, 2003

BACKGROUND***Related Bills***

On April 1, the Human Services Committee gave favorable reports to two bills that require (1) the Department of Children and Families commissioner to do what is necessary to obtain all federal funds available to the department (sHB 5477) and (2) the Department of Social Services commissioner to do the same to receive federal funds for that department (sSB 1011). Both commissioners must report to the

legislature on their efforts.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 17 Nay 0