



# Senate

## File No. 777

General Assembly

January Session, 2003

**(Reprint of File No. 494)**

Substitute Senate Bill No. 878  
As Amended by House  
Amendment Schedule "A"

Approved by the Legislative Commissioner  
May 23, 2003

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

14 (b) The Office of Policy and Management, in consultation with the  
15 Office of Fiscal Analysis and within available resources, shall

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

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

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 \$
All	GF - Revenue Gain	Potential Significant	Potential Significant

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

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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. The bill requires that OPM and OFA perform these duties within available resources, yet there are no such resources available for this purpose.

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. The bill requires that agencies complete these duties within available resources, however no such resources exist for this purpose. 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.

House "A" eliminates the minimal costs identified in the underlying bill to the Office of Policy and Management and the General Assembly's Office of Fiscal Analysis by requiring that the development of recommendations to maximize federal funds be done within available appropriations. There are no appropriations available for this purpose. Additionally, the amendment requires agencies to assess federal funds which are available to them within available resources, thus eliminating the minimal cost identified in the underlying bill. No appropriations for this purpose are available.

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**OLR Bill Analysis**

sSB 878 (File 494, as amended by House "A")\*

**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. OFA provides its consultation within available resources. 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, within available resources, 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, within available resources, must report on its findings and recommendations to OPM, OFA, and the Appropriations Committee by January 1 every year.

\*House Amendment "A" requires that agency and OFA analyses and reports be done within available resources.

EFFECTIVE DATE: July 1, 2003

**BACKGROUND*****Related Bills***

Two other bills 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, File 391) and (2) the Department of Social Services commissioner to do the same to receive federal funds for that department (sSB 1011, File 389). Both commissioners must report to the legislature on their efforts.

**Legislative History**

On May 7, the Senate referred the bill to the Appropriations Committee, which reported it favorably on May 12.

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Substitute  
Yea 17    Nay 0

Appropriations Committee

Joint Favorable Report  
Yea 36    Nay 6