



Senate

General Assembly

File No. 264

February Session, 2004

Senate Bill No. 426

Senate, March 25, 2004

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the 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. Subsection (b) of section 17b-3 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2004*):

4 (b) The Commissioner of Social Services [is authorized to] shall do
5 all things necessary to apply for, qualify for and accept any federal
6 funds made available or allotted under any federal act for social
7 service development, or any other projects, programs or activities
8 which may be established by state or federal law, for any of the
9 purposes or activities related thereto, and said commissioner shall
10 administer any such funds allotted to the department in accordance
11 with applicable state and federal law. Not later than July 1, 2005, and
12 annually thereafter, the commissioner shall report, in accordance with
13 section 11-4a, to the joint standing committees of the General
14 Assembly having cognizance of matters relating to appropriations and

15 the budgets of state agencies and human services on: (1) The amount
 16 of any federal funds applied for, qualified for, accepted, and allotted;
 17 (2) the purposes for which funds are to be used; and (3) any other
 18 information that the commissioner deems pertinent concerning the
 19 ability or inability of the department to access federal funds. The
 20 commissioner may enter into contracts with the federal government
 21 concerning the use and repayment of such funds under any such
 22 federal act, the prosecution of the work under any such contract and
 23 the establishment of and disbursement from a separate account in
 24 which federal and state funds estimated to be required for plan
 25 preparation or other eligible activities under such federal act shall be
 26 kept. Said account shall not be a part of the General Fund of the state
 27 or any subdivision of the state.

28 Sec. 2. (NEW) (*Effective July 1, 2004*) The Commissioner of Children
 29 and Families shall do all things necessary to apply for, qualify for and
 30 accept any federal funds made available or allotted under any federal
 31 act to enhance the development of children and youth, or any other
 32 projects, programs or activities which may be established by state or
 33 federal law, for any of the purposes or activities related thereto, and
 34 said commissioner shall administer any such funds allotted to the
 35 department in accordance with applicable state and federal law. Not
 36 later than July 1, 2005, and annually thereafter, the commissioner shall
 37 report, in accordance with section 11-4a of the general statutes, to the
 38 joint standing committees of the General Assembly having cognizance
 39 of matters relating to appropriations and the budgets of state agencies
 40 and human services on: (1) The amount of any federal funds applied
 41 for, qualified for, accepted and allotted; (2) the purposes for which
 42 such funds are to be used; and (3) any other information that the
 43 commissioner deems pertinent concerning the ability or inability of the
 44 department to access federal funds.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2004</i>

HS *Joint Favorable*

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-Effect	FY 05 \$	FY 06 \$
Department of Social Services	GF - Cost	Uncertain	Uncertain
Department of Children & Families	GF - Cost	316,270	341,625
Department of Children & Families	GF - Revenue Gain	Potential Significant	Potential Significant
Comptroller Misc. Accounts (Fringe Benefits)	GF - Cost	61,560	151,040
Various State Agencies	Var - Uncertain	See Below	See Below

Municipal Impact: None

Explanation

The bill requires, rather than allows, DSS to do whatever is necessary to maximize the department's receipt of federal funds. As DSS currently dedicates significant staff time to maximizing the receipt of federal funds, it is not known what impact this change will have. The bill further requires DSS to report to the General Assembly annually on its efforts to maximize federal revenue. This requirement will result in a minimal increase in administrative costs for the department.

Requiring the Department of Children and Families (DCF) to do all things necessary to apply for, qualify for and accept any federal funds to enhance the development of children and youth will result in a significant cost and a potentially significant revenue gain. DCF currently has no staff exclusively dedicated to the federal grant application process, but does employ twenty-four revenue maximization staff that process applications on behalf of children eligible for Title IV-E and other entitlement programs.

An FY 05 cost to the state of \$377,830 will result. Included in this sum is \$316,270 to support the salaries of one Grant Writer, one Accountant, one Program Supervisor and three Processing Technicians as well as associated other expenses. Also included is \$61,560 in fringe benefit costs, which are budgeted centrally in miscellaneous accounts administered by the Comptroller¹. In FY 06 the annualized cost for the six positions would be \$492,665 (\$341,625 DCF; \$151,040 fringe benefits) .

These positions would be required to perform various duties associated with the maximization of federal funding, including: researching available grant and entitlement programs, writing grant proposals and federal waiver applications, filing ongoing reports with the federal government, processing additional contracts with service providers, performing fiscal management services, enhancing the ability of the agency's revenue enhancement unit to process entitlement applications, and issuing an annual report to the Appropriations and Human Services Committees.

Additional costs, which cannot be quantified in advance, would be incurred to the extent that state matching requirements would have to be met in order to qualify for certain federal grants-in-aid.

Finally, it is unclear to what extent Section 2's provisions would apply to those grant-in-aid or entitlement programs serving children that have historically not been under the oversight of DCF (e.g., education) .

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The total fringe benefit reimbursement rate as a percentage of payroll is 45.82%, effective July 1, 2003. However, first year fringe benefit costs for new positions do not include pension costs - lowering the rate to 20.23% in FY 05. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System.

OLR Bill Analysis

SB 426

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

This bill requires the Department of Social Services (DSS) and Department of Children and Families (DCF) commissioners to maximize the use of federal funds for their programs and activities. Specifically, it:

1. requires, rather than allows, the DSS commissioner to do everything necessary to apply for, qualify for, and accept any federal funds made available under any federal law for social service development or for related projects, programs, or activities established by federal law and applies this maximization requirement to those initiated under state law and
2. requires the DCF commissioner to do the same to obtain federal funds available under state or federal laws or programs to enhance the development of children and youth or related to this purpose.

The bill requires the commissioners to administer any such funds allotted to their departments in accordance with applicable state and federal law. (The statute already requires the DSS commissioner to administer any such federal funds she obtains in accordance with federal law.)

By July 1, 2005 and annually after that, the commissioners must report separately to the Appropriations and Human Services Committees on (1) the amount of any federal funds applied for, qualified for, accepted, and allotted (2) the purposes for which funds are to be used; and (3) any other information the commissioners consider pertinent concerning their departments' ability or inability to access federal funds.

EFFECTIVE DATE: July 1, 2004

BACKGROUND***Related Bill***

sSB 404, reported favorably to the floor by the Government Administration and Elections Committee on March 15, requires all state agencies to maximize their access to federal government funds and, within available resources, annually assess the federal funds they receive, may receive in the future, and could receive but do not, along with the reasons they do not. Each agency, within available resources, must report on its progress, findings, and recommendations to the Office of Policy and Management (OPM), the Office of Fiscal Analysis (OFA), and the Appropriations Committee by January 1 every year. OPM must consult with OFA and, within available resources, develop recommendations and a plan to increase the level of federal funds the state receives.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 17 Nay 0