

Legislative Program Review and Investigation Committee

Connecticut General Assembly

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SCOPE OF STUDY

Connecticut's Efforts at Maximizing Federal Revenues

FOCUS

The study will assess how the state fares in receiving federal funds, with a focus on determining the success Connecticut has had in maximizing those federal revenues over which state and local governments might have had an impact.

BACKGROUND

There are several types of federal payments to states and their residents including: salaries to federal employees; social security payments to retirees and others; procurement payments to contractors; direct assistance to residents eligible for certain federal programs; and federal grants to state and local governments. The federal government distributed \$3.3 trillion for all types of payments to states in federal fiscal year (FFY) 2010.¹ Connecticut ranked 4th in total federal funds per capita, with \$56 billion in federal funding sent to Connecticut's state and local government and residents. However, much of that federal funding is sent to individuals, businesses or other non-governmental entities, and not necessarily directly influenced by state or local government policies or efforts.

In FFY 2010, Connecticut received \$7.7 billion of a total distributed \$630 billion in federal grants to state and local governments, ranking the state 18th on a per capita basis. The state fiscal year (FY) 2012 projections show that federal funds account for \$3.5 billion (19 percent) of Connecticut's total General Fund revenues of \$18.5 billion. While optimizing federal revenues has always been important to the state, Connecticut's current fiscal climate makes garnering all available dollars a higher priority. Advocacy groups, legislators, and other policymakers have questioned whether Connecticut is "leaving federal monies on the table." This study will examine whether that is the case, and what opportunities might exist for Connecticut governmental agencies to increase the share of federal funding coming to the state.

AREAS OF ANALYSIS

- Identify and define the major types of federal assistance a state and its residents might receive and assess how Connecticut fares overall in receipt of all federal dollars.

¹ The most recent, comprehensive data on federal funding to states comes from the U.S. Census Bureau's *Consolidated Federal Funds Report for Fiscal Year 2010*.

- Identify the categories of grants and other federal assistance over which Connecticut government agencies have a direct impact on what the state receives.
- Examine the trends in Connecticut’s receipt of total federal funds over which state government has some control.
- Identify and categorize by type the amounts of FY 10 federal payments to state and local governments in Connecticut.
- Compare and contrast Connecticut’s results with those of other states, especially those with similar demographic, economic, and regional characteristics.
- Determine Connecticut’s government structure and level of resources directed to pursuing and obtaining federal funding.
- Determine whether there are systemic barriers that exist in Connecticut that hamper acquiring additional federal revenues.
- Identify those states that have proven positive results and determine best practice characteristics, including what policies, structures, strategies, and resources those states employ to capture federal funding.
- Inventory federal assistance programs for FFY 10 to assess:
 - What did Connecticut *not do that it might have done* – grants or other eligible programs for which it did not apply? Identify reasons where possible.
 - What did Connecticut *do but without success* – grants or other eligible programs for which it applied but did not receive?
 - In what areas, categories, or types of funding is Connecticut *underrepresented* – received assistance but smaller share than expected?
 - In what areas is Connecticut *most successful* in accessing federal funds?
 - In what areas is there the *greatest potential* for improving results?
- Determine if there are any programmatic requirements, stipulations, or prohibitions that might restrict the way federal revenues might be pursued, or the value of the effort to the state in pursuing certain funds (e.g., maintenance of effort requirements).

NOT INCLUDED IN SCOPE

The study will not examine how Connecticut expended any federal funding it received nor the outcome, impact, or results of any particular project, grant or program for which Connecticut received federal funds.

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