

26 maintenance-of-effort provisions specifying required state spending levels necessary to receive  
27 a grant;

28 WHEREAS, maintenance-of-effort requirements are intended to prevent supplantation  
29 of state efforts using federal funds;

30 WHEREAS, ~~H→ [the federal government increases]~~ for some federal grants,  
30a calculated ←H maintenance-of-effort requirements ~~H→ increase ←H~~ if  
31 states voluntarily increase state spending on budget items that receive block grants;

32 WHEREAS, over time, maintenance-of-effort requirements can become several times  
33 larger than the amount of the federal block grant;

34 WHEREAS, if a state does not meet its maintenance-of-effort requirements in any  
35 fiscal year, the federal government will often reduce the state's federal block grant in the  
36 following year by an amount equal to the two-year average of the maintenance-of-effort  
37 shortfall;

38 WHEREAS, this penalty for failing to meet maintenance-of-effort requirements occurs,  
39 even when a state spends more than the maintenance-of-effort requirement at the time the grant  
40 was originally awarded;

41 WHEREAS, these maintenance-of-effort requirements can severely limit state  
42 legislative budget flexibility, especially during economic downturns, because attempts to  
43 reduce state spending to address decreased state revenue can lead to additional decreases in  
44 revenue from reductions in federal block grant funds;

45 WHEREAS, in fiscal year 2015, Utah received a \$3.2 million Mental Health Block  
46 Grant that required a maintenance-of-effort obligation of \$29.3 million;

47 WHEREAS, in fiscal year 2015, Utah received a \$5 million Baby Watch Early  
48 Intervention Grant that required a maintenance-of-effort obligation of \$12 million;

49 WHEREAS, in fiscal year 2015, Utah received a \$16.5 million Substance Abuse  
50 Prevention and Treatment Block Grant that required a maintenance-of-effort obligation of  
51 \$19.2 million; and

52 WHEREAS, the state of Utah obligates hundreds of millions of dollars in  
53 maintenance-of-effort requirements:

54 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah  
55 requests that Utah's congressional delegation submit federal legislation amending federal block  
56 grant maintenance-of-effort requirements by adding the following language to each