

HJR004S01 compared with HJR004

~~text~~ shows text that was in HJR004 but was deleted in HJR004S01.

Inserted text shows text that was not in HJR004 but was inserted into HJR004S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Edward H. Redd proposes the following substitute bill:

JOINT RESOLUTION ON MAINTENANCE-OF-EFFORT REQUIREMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Edward H. Redd

Senate Sponsor: _____

LONG TITLE

General Description:

This joint resolution of the Legislature requests that Utah's congressional delegation submit federal legislation amending federal block grant maintenance-of-effort requirements.

Highlighted Provisions:

This resolution:

- ▶ recognizes that federal maintenance-of-effort requirements can severely limit state budget flexibility; and
- ▶ requests that Utah's congressional delegation submit federal legislation adding the following language to each maintenance-of-effort statutory requirement: "In nowise

HJR004S01 compared with HJR004

shall the state amount obligated as a maintenance-of-effort calculation exceed the amount of federal funding provided through the grant."

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah:

WHEREAS, block grants offered by the federal government often include maintenance-of-effort provisions specifying required state spending levels necessary to receive a grant;

WHEREAS, ~~{if a state does not meet its}~~ maintenance-of-effort requirements are intended to prevent supplantation of state efforts using federal funds;

WHEREAS, the federal government increases maintenance-of-effort requirements ~~{in~~ any fiscal year, the federal government will often reduce dollar-for-dollar the state's federal block grant in the following year;

~~—~~ WHEREAS, }if states voluntarily increase state spending on budget items that receive block grants;

WHEREAS, over time, maintenance-of-effort requirements can ~~{be}~~ become several times larger than the amount of the federal block grant;

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

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

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

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

HJR004S01 compared with HJR004

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah requests that Utah's congressional delegation submit federal legislation amending federal block grant maintenance-of-effort requirements by adding the following language to each maintenance-of-effort statutory requirement: "In no wise shall the state amount obligated as a maintenance-of-effort calculation exceed the amount of federal funding provided through the grant."

BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of the United States, the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, and the members of Utah's congressional delegation.

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Legislative Review Note

Office of Legislative Research and General Counsel