

SUBJECT: Providing localities with technical assistance to obtain federal funds

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 8 ayes — Craddick, Grusendorf, Heflin, Holzheuser, Oliveira, Stiles, Telford, Thompson

0 nays

3 absent — Ramsay, Horn, Williamson

SENATE VOTE: On final passage, March 11 — 31-0

WITNESSES: No public hearing.

DIGEST: SB 501 would authorize the comptroller to provide assistance and technical support to political subdivisions of the state on request in order to obtain maximum funding available from the federal government. The comptroller could charge a fee to cover the costs of providing such assistance to the extent not prohibited under federal law. The fee could equal up to 20 percent of any additional funds obtained as a result of the assistance.

SB 501 would take immediate effect if finally approved by a two-thirds record vote of the membership in each house.

SUPPORTERS SAY: SB 501 would assist local political and governmental entities across the state to obtain additional funds from the federal government to use on such programs as Medicaid, child welfare, and job training courses. Many localities need assistance dealing with federal policies and criteria for accessing funds that can be complicated and highly detailed; by tapping into the technical expertise at the Comptroller's Office, these localities could locate and take advantage of available funding. The Comptroller's Office has an experienced staff of economists who can help localities identify local administrative or overhead costs eligible for federal reimbursement, as well as persons experienced with federal grant-writing techniques. The office also could also direct localities to private-sector consultants who could help obtain federal funding sources for specifically drawn projects. Many local

political subdivisions do not have the necessary research staff or economic and technical expertise to create timely proposals.

The Legislative Budget Board has estimated that providing this type of technical assistance to the state's 20 most populous counties could result in administrative costs of approximately \$935,000 for the Comptroller's Office. These costs would be more than offset by the additional federal funding; the comptroller has calculated that assistance to those 20 counties could generate an additional \$7 million in federal funds. SB 501 would allow the comptroller to assess administrative costs from these funds; the local entity would not be out of pocket for any services provided. The bill would implement a recommendation of the latest Texas Performance Review report, *Disturbing the Peace*.

OPPONENTS
SAY:

No apparent opposition.