



Legislative Fiscal Bureau

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August 4, 2009

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Revenue: Governor's Request to Transfer Federal Fiscal Stabilization Funds for County and Municipal Aid Program from 2010-11 to 2009-10 -- Agenda Item XXVIII

REQUEST

The Governor requests approval to transfer \$76,139,100 of federal fiscal stabilization funds in the county and municipal aid program from 2010-11 to 2009-10.

BACKGROUND

Act 28 provided \$76,139,100 in federal fiscal stabilization funds in 2010-11 for the county and municipal aid program, which would offset an equal amount of GPR for making the 2010 payments. The Governor requests that the Committee transfer this funding from 2010-11 to 2009-10, so that the fiscal stabilization funds would be used for making 2009 payments. The effect of this transfer would be to decrease the sum sufficient GPR appropriation for the program in 2009-10 by \$76,139,100 in 2009-10 and provide a corresponding GPR increase in 2010-11.

This transfer would have no impact on the net 2009-11 biennium general fund balance. The Governor's request indicates that the purpose would be to accelerate the expenditure of federal fiscal stabilization funds, at the request of the federal government. The Department of Administration indicates that the federal fiscal stabilization funds would be used to make a portion of the program's payments to counties in 2009. Pursuant to provisions of the federal economic stimulus act, recipients of the funds will be required to comply with certain reporting requirements once the final 2009 payments are made in November.

ALTERNATIVES

1. Approve the Governor's request to transfer \$76,139,100 in federal fiscal stabilization funds in the county and municipal aid program from 2010-11 to 2009-10 and make corresponding GPR appropriation adjustments.
2. Deny request.

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