



Senate Bill 569

Capital Budget – Local Initiatives – Matching Funds

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 27, 2013

From: Andrea Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** SB 569. This bill would authorize a county who is the grantee of a local capital project requiring a county match to include the salaries or wages the county pays to employees as part of its in-kind contribution.

Each year several bond bills are introduced by members of the General Assembly to fund projects in communities across the state. Depending upon the project specified in the bond bill, a county may be a grantee and responsible for providing matching funds. Matching funds may be provided as a hard match, actual proof of funds available to finance the project, or a soft match, such as in-kind contributions.

The Department of General Services oversees the Capital Grant Program and ensures that all requirements of receiving the funds are met. According to current policies, in-kind contributions include the value of goods or services that contribute directly to the project, but do not include the cost of labor should the county be willing to provide labor for the project. SB 569 would change this policy and authorize salaries and wages paid by a county to employees to be counted towards the county's in-kind contribution.

During these difficult financial times, counties are trying to be as fiscally responsible as possible through effectiveness and efficiencies in operations. SB 569 would assist counties in meeting this goal by giving counties greater flexibility in meeting project matching requirements.

Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 569.