
Issue Brief –Non-lapsing Funds

DEPARTMENT OF HUMAN SERVICES

DHS-09-04

NON-LAPSING FUNDS

The Office of the Legislative Fiscal Analyst presented a report entitled, “Nonlapsing Appropriation Balances,” to the Executive Appropriations Committee in July of 2007. (See Attachment A for a copy of the report)

OBJECTIVE

The purpose of this issue brief is to inform the Health and Human Services Appropriations Subcommittee of the non-lapsing balances at the end of FY 2007 for the Department of Human Services (DHS).

DISCUSSION AND ANALYSIS

Under the Budgetary Procedures Act (UCA 63-38-8), funds appropriated by the Legislature that are unexpended or unencumbered shall lapse at the end of each fiscal year to the fund from which they were appropriated. The following are exceptions to the lapsing rule:

1. Appropriations from certain funds, agencies, division, or program, as specified in statute. For example, DHS has one division, the Division of Services for People with Disabilities (DSPD) (UCA 62A-5-102), and one program, the Mental Health Therapist Grant and Scholarship (UCA 62A-13-109) that have statutory non-lapsing authority;
2. Appropriations for capital equipment with an expected delivery date before June 30th of any given fiscal year; and
3. Appropriations for which the Legislature grants specific non-lapsing authority through intent language. Some examples of why the Legislature may adopt non-lapsing intent language are as follows:
 - a. For multi-year projects like the eREP project;
 - b. To allow the agency the ability to react to emergency situations, for example DCFS for foster care and adoption assistance which can be volatile; and
 - c. To allow the agency to address special needs without requesting new monies like the DAAS Senior Transportation Ride Share Pilot program.

Funding of Programs

Both the Divisions of Child and Family Services (DCFS) and Services for People with Disabilities (DSPD) have used non-lapsing funds to fund items like DCFS caseworkers, DCFS treatment services or DSPD mandated waiver services. Because of the ability to use these funds, both divisions have either not had to request additional funding or have been able to reduce the amount requested over the past several years.

The following table shows the non-lapsing balances for DHS at the close of FY 2007:

Department of Human Services Non-lapsing Balances at the End of FY 2007								
Line Item	TOTAL NONLAPSING BALANCE	Appropriation Revenue Source		Source of NL Authority			If Intent Language, does the language state a limit on how NLB used?	If Yes, List Designated Uses
		Gen/Educ Funds	Restricted Funds	Statute	Intent Language Suppl Yr	Future Yr		
DAAS	98,900.00	98,900.00			SB 1, Item 74		\$100,000	\$45,000 for senior center renovations and vehicle maintenance and \$55,000 for the Senior Transportation Ride Share Pilot Program.
DCFS	6,610,900.00	6,610,900.00				HB 150, Item 96	No Limit	Non-lapsing funds are to be used for Adoption Assistance and Out of Home Care .
DSPD	1,849,800.00	1,849,800.00		62A-5-102		HB 150, Item 94	No Limit	
Drug Court	300.00		300.00			HB 150, Item 92	No Limit	For treatment services
EDO	401,300.00	401,300.00			SB 1, Item 60	HB 150, Item 91	\$464,000	Supplemental was for equipments (\$10,000) and the balance of \$454,000 was for eREP enhancements.
ORS	8,200.00	8,200.00				HB 150, Item 95	\$37,400	For eREP enhancements
DSAMH	126,700.00	126,700.00		62A-13-109	SB 1, Item 70	HB 150, Item 93	\$120,000	Statute non-lapsing amount is \$15,100 for Mental Health Therapist Scholarships. Supplemental was for providing services for counseling services for families of veterans \$70,000 and for the purchase of equipment (\$50,000). The balance is for mental health and substance abuse treatment services.

RECOMMENDATION

The Analyst does not have a specific recommendation since this issue brief is informational.