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## Issue Brief – Non-Lapsing Balances

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DEPARTMENT OF HEALTH

DOH-09-04

**SUMMARY**

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) This Issue Brief is for informational purposes only, no recommendation has been included.

**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 Health (DOH).

**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.
2. Appropriations for capital equipment with an expected delivery date before June 30<sup>th</sup> 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 redesign of the Medicaid Management Information System;
  - b. To allow the agency the ability to react to emergency situations; and
  - c. To allow the agency to address special needs without requesting new monies.

The tables on the following pages detail the non-lapsing balances at the end of FY 2007 for DOH.

## Utah Department of Health

FY2007 Non lapsing funds

Division	Non Lapsing Authority	Amount	Restrictions	Reason
<b>Health Systems Improvement</b>				
Emergency Medical Services	26-8a-207 (1)(C)	1,105,226	Staff Support, administrative expenses, trauma system development, and emergency medical services grants from the remaining funds received as dedicated credits. A recipient of a grant under this Subsection must actively provide emergency medical services within the state.	These funds are distributed to all local EMS agencies and training centers to be used for purchase of equipment, supplies and EMS training to help deliver EMS to the citizens of the state. Because these are ongoing system development programs and merge between cities, counties, and state agencies, with different budget years, the nonlapsing authority allows the Department to utilize the funds ensuring EMS is readily available to those who call.
Fees for Training and Equipment	26-8a-208	83,027	The non lapsing monies authorized in 26-8A-208 are for testing, quality assurance, and licensing fees.	Non lapsing per statute
Primary Care Grants	2006 General Session SB4 Item 84	626,413	Intent Language designates use in Primary Care Grant Program	Until present, the Primary Care Grants have been funded on a Fall funding cycle. Because of this, a portion of the appropriation was needed to cover contracts extending to the next fiscal year.
Plan Review Fees	2006 General Session SB4 Item 84	162,896	Intent language designates use in Plan Review Program	Current program activities are funded with previous year's non lapsing collections. Fees are paid at different and unpredictable times during the year depending on status of application and/or building project.
Bleeding Disorders	2006 General Session SB4 Item 84	250,000	Intent language specifies use in bleeding disorder program. Funding covers the costs of obtaining hemophilia services or the cost of insurance premiums covering hemophilia services.	Delayed implementation for FY2007.
Child Care License Violations	2006 General Session SB4 Item 84	21,325	Intent language designates use in Child Care Licensing Program	Legislative non lapsing authority
Civil Money Penalties - Health Providers	2006 General Session SB4 Item 84 and Section 1919(h)(2)(A)(ii) of the Social Security Act	354,307	Civil money penalties must be applied to the protection of the health or property of residents of nursing facilities that the state or the Secretary finds deficient.	Per Federal Regulation
Workforce Loan Program	26-46-102 (g) (4)	639,412	Statute provides for professional education scholarships and loan repayment assistance to health care professionals who locate or continue to practice in underserved areas.	Funds are obligated but dispersed across state fiscal years. Contracts may range from 2 to 4 years in length for contractual service obligations for health care professionals servicing Utah's medically underserved populations

<b>Epidemiology and Laboratory Services</b>				
	Non Lapsing Authority	Amount	Restrictions	Reason
Equipment	2007 General Session SB1 Item 64	250,000	Limited to laboratory equipment, computer equipment and/or software, and building improvements.	No ongoing funding available for equipment needs. Funds are pieced together for this critical need from vacancy savings or savings from delayed acquisition of supplies or other current expenses.
<b>Community and Family Health Services</b>				
Alcohol, tobacco & Drug Prevention	2006 General Session SB4 Item 86	436,379	Intent language designates use in Tobacco Prevention Program	Contractors have not expended contract amounts.
<b>Medical Assistance</b>				
Civil Money Penalties	Title XIX of the Social Security Act Paragraph (h) Section (2) and UCA 26-18-3 (5)	699,506	Funds Collected as a result of a sanctions imposed under Section 1919 of Title XIX of the federal Social Security Act shall be deposited in the General Fund as nonlapsing dedicated credits to be used by the division in accordance with the requirement of that section.	Funds may be used for the costs of relocation of residents to other facilities, maintenance of operation of a facility pending correction of deficiencies or closure, and reimbursement of resident for personal funds lost. The appointment of temporary management to oversee the operation of the facility.