



NONLAPSING BALANCES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

SUMMARY

The purpose of this issue brief is to inform the Social Services Appropriations Subcommittee of \$20,426,300 in non-lapsing balances at the end of FY 2010 for the Department of Health (DOH). This brief is for information purposes only and no action is required.

DISCUSSION AND ANALYSIS

Under the Budgetary Procedures Act (UCA 63J-1-602), no revenue collection, appropriation from a fund or account, or appropriation to a program may be treated as nonlapsing unless:

1. It is expressly referenced in UCA 63J-1-602
2. It is designated in a condition of appropriation in the appropriations bill, or

Nonlapsing authority is granted under UCA 63J-1-603. UCA 63J-1-602 also states that “each legislative appropriations subcommittee shall review the accounts and funds that have been granted nonlapsing authority under this section of Section 63J-1-603.”

The tables on the following pages detail the \$20,426,300 in non-lapsing balances at the end of FY 2010 for DOH (most of the information in the table represents responses and information from the Department of Health received via email from prior year communications).

The Office of the Legislative Fiscal Analyst presented a statewide report entitled, “FY 2010 Preliminary Lapsing and Nonlapsing Balances,” to the Executive Appropriations Committee in September of 2010. The report is available at <http://le.utah.gov/interim/2010/pdf/00001267.pdf>.

NONLAPSING BALANCES

Utah Department of Health (DOH)

FY 2010 non-lapsing funds

Division & Program	Non-lapsing Authority	Amount	Restrictions	Reason
Family Health and Preparedness				
Emergency Medical Services (EMS)	26-8a-207 (1)(C)	350,400	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.	Because these are ongoing system development programs and merge between cities, counties, and state agencies, with different budget years, the non-lapsing 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	42,700	The non-lapsing monies authorized in 26-8A-208 are for testing, quality assurance, and licensing fees.	The nature of the training requirements mean that most testing and licensing begins in one fiscal year and ends in another fiscal year. Often training requirements include classroom hours, certain hours clinical experience, and a competency exam.
Primary Care Grants Program for Medically Underserved Populations	2010 General Session HB2 Item 68	171,000	Intent language designates use in Primary Care Grants Program up to \$400,000 limited to final Fiscal Year 2010 contract payments to contractors based on contract reviews.	Primary Care Grants are funded and awarded for a full twelve month, State Fiscal Year. Final payments are not made until final reports are received, reviewed, and approved. Payments are usually not made until the end of August, into the following fiscal year, therefore 1/4 of the funding needs to be available to make those final award payments.
Plan Review Fees	2010 General Session HB2 Item 68	100,000	Intent language designates use in Plan Review Program up to \$210,000 and is limited to plan review activities.	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	2010 General Session HB2 Item 68	50,000	Intent language specifies use in bleeding disorder program is limited to services to newly eligible clients up to \$50,000.	The contracted provider is processing applications for eligibility and anticipates more expenses from this fund once more individuals have been determined to be eligible.
Child Care License Violations	2010 General Session HB2 Item 68	79,000	Intent language designates use in Child Care Licensing Program and is limited to trainings for providers.	The fines collected in one year fund the training for providers in the following year.
Civil Money Penalties - Health Providers	2010 General Session HB2 Item 68 and Section 1919(h)(2)(A)(ii) of the Social Security Act	383,400	Civil money penalties must be applied to the protection of the health or property of residents of nursing care facilities.	Per federal regulation for cost of client relocation, reimbursing a client for funds lost, and/or temporary management to oversee a facility.
Workforce Loan Program	26-46-102 (g) (4)	339,600	Statute provides for professional educational loan repayment and scholarship assistance to health care professionals who locate or continue to practice in medically underserved areas of Utah.	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 providing primary health care services to Utah's medically underserved populations.
Disease Control and Prevention				
Equipment	2010 General Session HB2 Item 67	221,000	Limited to laboratory equipment, computer equipment and/or software, and building improvements up to \$250,000.	No ongoing funding available for equipment needs. Funds are pieced together to pay for needed equipment.
Alcohol, tobacco & Drug Prevention	2010 General Session HB2 Item 66	500,000	Intent language designates use in Tobacco Prevention Program up to \$500,000 and is limited to unexpended funds in contracts issued for Fiscal Year 2010 for the purposes outlined in those contracts.	Sometimes contractors have not expended contract amounts within the fiscal year the money was received.

Medicaid Services & Administration (Health Care Financing)				
Civil Money Penalties	Title XIX of the Social Security Act Paragraph (h) Section (2) and UCA 26-18-3 (5)	699,500	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 non-lapsing 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.
Director's Office	2010 General Session HB 446 (to comply w/ ARRA requirements)	242,300	General Fund not expended by Medicaid in FY 2009 through FY 2011 is non-lapsing.	Non-lapsing for Medicaid money is a requirement to receive federal stimulus money (ARRA).
Medicaid Management Information System (MMIS)	2010 General Session HB2 Item 69	250,000	Funding of \$750,000 for the study and design of a MMIS upgrade was funded in FY 2008. Intent language provides for up to \$350,000 of the funding to not lapse at the close of FY 2010 is limited to the redesign of the MMIS and implementing recommendations from the Legislative Auditor General's audits in Medicaid.	This project was started in FY 2008 and is still in progress for FY 2011.
Medicaid Mandatory Services	2010 General Session HB 446 (to comply w/ ARRA requirements)	3,008,100	General Fund not expended by Medicaid in FY 2009 through FY 2011 is non-lapsing.	Non-lapsing for Medicaid money is a requirement to receive federal stimulus money (ARRA).
Medicaid Optional Services	2010 General Session HB 446 (to comply w/ ARRA requirements)	13,989,300	General Fund not expended by Medicaid in FY 2009 through FY 2011 is non-lapsing.	Non-lapsing for Medicaid money is a requirement to receive federal stimulus money (ARRA).