

HB0326S01 compared with HB0326

~~{deleted text}~~ shows text that was in HB0326 but was deleted in HB0326S01.

inserted text shows text that was not in HB0326 but was inserted into HB0326S01.

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~~{BUDGET}~~ Representative Melissa G. Ballard proposes the following substitute bill:

PERFORMANCE REPORTING REQUIREMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melissa G. Ballard

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to ~~{budget}~~ performance reporting requirements.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the process by which the Office of the Legislative Fiscal Analyst~~{~~
 - ~~• identifies legislation that creates a new program or new agency; and~~
 - ~~• collects and shares performance measure information for each new program or new agency;~~
- ▶ ~~modifies the~~ manages the performance of an entity that receives state funds;
- ▶ establishes a process by which the Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General ~~{monitors a new program or new~~

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~~agency}~~evaluate and monitor targeted production processes;

- ▶ clarifies that the ~~{Judicial Department}~~judicial department and ~~{Legislative Department}~~the legislative department are not subject to certain performance reporting requirements~~{related to the governor's budget;~~

~~→ modifies certain information related to the Executive Department's effectiveness measures that the Governor's Office of Management and Budget provides to the Office of the Legislative Fiscal Analyst and the date on which the information is due;~~

~~→ for each newly funded budget item, requires a state agency to:~~

- ~~• create one or more performance measures; and~~
- ~~• submit a report to the Office of the Legislative Fiscal Analyst describing the results of the performance measures and how the agency spent the appropriation for the newly funded budget item; and~~

~~};~~ and

- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

36-12-13, as last amended by Laws of Utah 2018, Chapter 248

36-12-15, as last amended by Laws of Utah 2020, Chapter 356

63I-1-263, as last amended by Laws of Utah 2020, Chapters 82, 152, 154, 199, 230, 303, 322, 336, 354, 360, 375, 405 and last amended by Coordination Clause, Laws of Utah 2020, Chapter 360

63J-1-201, as last amended by Laws of Utah 2020, Chapter 152

63J-1-602.2, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20

ENACTS:

~~{36-24-101.1}~~36-33-101, Utah Code Annotated 1953

36-33-102, Utah Code Annotated 1953

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36-33-201, Utah Code Annotated 1953

36-33-202, Utah Code Annotated 1953

63J-1-221, Utah Code Annotated 1953

~~{RENUMBERS AND AMENDS}~~ REPEALS:

~~{36-24-102}~~ 36-24-101 ~~{, (Renumbered from 36-24-101)}~~, as last amended by Laws of Utah 2011, Chapter 342 ~~{}~~

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 36-12-13 is amended to read:

36-12-13. Office of the Legislative Fiscal Analyst established -- Powers, functions, and duties -- Qualifications.

(1) There is established an Office of the Legislative Fiscal Analyst as a permanent staff office for the Legislature.

(2) The powers, functions, and duties of the Office of the Legislative Fiscal Analyst under the supervision of the fiscal analyst are:

(a) (i) to estimate general revenue collections, including comparisons of:

(A) current estimates for each major tax type to long-term trends for that tax type;

(B) current estimates for federal fund receipts to long-term federal fund trends; and

(C) current estimates for tax collections and federal fund receipts to long-term trends deflated for the inflationary effects of debt monetization; and

(ii) to report the analysis required under Subsection (2)(a)(i) to the Legislature's Executive Appropriations Committee before each annual general session of the Legislature;

(b) to analyze in detail the state budget before the convening of each legislative session and make recommendations to the Legislature on each item or program appearing in the budget, including:

(i) funding for and performance of programs, acquisitions, and services currently undertaken by state government to determine whether each department, agency, institution, or program should:

(A) continue at its current level of expenditure;

(B) continue at a different level of expenditure; or

(C) be terminated; and

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(ii) increases or decreases to spending authority and other resource allocations for the current and future fiscal years;

(c) to prepare on all proposed bills fiscal estimates that reflect:

(i) potential state government revenue impacts;

(ii) anticipated state government expenditure changes;

(iii) anticipated expenditure changes for county, municipal, local district, or special service district governments; and

(iv) anticipated direct expenditure by Utah residents and businesses, including the unit cost, number of units, and total cost to all impacted residents and businesses;

(d) to indicate whether each proposed bill will impact the regulatory burden for Utah residents or businesses, and if so:

(i) whether the impact increases or decreases the regulatory burden; and

(ii) whether the change in burden is high, medium, or low;

(e) beginning in 2017 and repeating every three years after 2017, to prepare the following cycle of analyses of long-term fiscal sustainability:

(i) in year one, the joint revenue volatility report required under Section 63J-1-205;

(ii) in year two, a long-term budget for programs appropriated from major funds and tax types; and

(iii) in year three, a budget stress test comparing estimated future revenue to and expenditure from major funds and tax types under various potential economic conditions;

(f) to report instances in which the administration may be failing to carry out the expressed intent of the Legislature;

(g) to propose and analyze statutory changes for more effective operational economies or more effective administration;

(h) to prepare, before each annual general session of the Legislature, a summary showing the current status of the following as compared to the past nine fiscal years:

(i) debt;

(ii) long-term liabilities;

(iii) contingent liabilities;

(iv) General Fund borrowing;

(v) reserves;

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- (vi) fund and nonlapsing balances; and
- (vii) cash funded capital investments;
- (i) to make recommendations for addressing the items described in Subsection (2)(h) in the upcoming annual general session of the Legislature;
- (j) to prepare, after each session of the Legislature, a summary showing the effect of the final legislative program on the financial condition of the state;
- (k) to conduct organizational and management improvement studies in accordance with Chapter 33, Government Performance Management and Optimization;
- (l) to prepare and deliver upon request of any interim committee or the Legislative Management Committee, reports on the finances of the state and on anticipated or proposed requests for appropriations;
- (m) to recommend areas for research studies by the executive department or the interim committees;
- (n) to appoint and develop a professional staff within budget limitations;
- (o) to prepare and submit the annual budget request for the office;
- (p) to develop a taxpayer receipt:
 - (i) available to taxpayers through a website; and
 - (ii) that allows a taxpayer to view on the website an estimate of how the taxpayer's tax dollars are expended for government purposes; and
- (q) to publish or provide other information on taxation and government expenditures that may be accessed by the public.

(3) The legislative fiscal analyst shall have a master's degree in public administration, political science, economics, accounting, or the equivalent in academic or practical experience.

(4) In carrying out the duties provided for in this section, the legislative fiscal analyst may obtain access to all records, documents, and reports necessary to the scope of the legislative fiscal analyst's duties according to the procedures contained in Title 36, Chapter 14, Legislative Subpoena Powers.

Section ~~44~~2. Section **36-12-15** is amended to read:

36-12-15. Office of the Legislative Auditor General established -- Qualifications -- Powers, functions, and duties.

(1) There is created an Office of the Legislative Auditor General as a permanent staff

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office for the Legislature.

(2) The legislative auditor general shall be a licensed certified public accountant or certified internal auditor with at least five years of experience in the auditing or public accounting profession, or the equivalent, prior to appointment.

(3) The legislative auditor general shall appoint and develop a professional staff within budget limitations.

(4) (a) The Office of the Legislative Auditor General shall exercise the constitutional authority provided in Article VI, Sec. 33, Utah Constitution.

(b) Under the direction of the legislative auditor general, the office shall:

(i) conduct comprehensive and special purpose audits, examinations, and reviews of any entity that receives public funds;

(ii) prepare and submit a written report on each audit, examination, or review to the Legislative Management Committee, the audit subcommittee, and to all members of the Legislature within 75 days after the audit or examination is completed; and

~~[(iii) as provided in Section 36-24-101:]~~

~~[(A) monitor all new programs and agencies created during each Annual General Session or Special Session of the Legislature;]~~

~~[(B) provide each new program and agency created with a list of best practices in setting up their program or agency, including:]~~

~~[(I) policies;]~~

~~[(II) performance measures; and]~~

~~[(III) data collection;]~~

~~[(C) send each new program and agency:]~~

~~[(I) within one year after its creation, a survey instrument requesting a self evaluation that includes policies, performance measures, and data collection; and]~~

~~[(II) within two years after its creation, a survey instrument requesting a self evaluation that includes policies, performance measures, and data collection; and]~~

~~[(D) (I) using the new program or agency's response to the self evaluation survey instruments, recommend to the legislative audit subcommittee that the office conduct an audit of those new programs and agencies created on which questions have arisen as a result of the response to the survey instrument and provide a limited scope audit report on those new~~

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~~programs or agencies on which it receives direction to audit to the legislative interim committee and to the legislative appropriations subcommittee with oversight responsibility for that program or agency on or before the November interim meeting; and]~~

~~[(H) include within this limited scope audit report a recommendation as to whether the program or agency is fulfilling its statutory guidelines and directives.]~~

~~(iii) in accordance with Chapter [24, Legislative Review of New Programs or Agencies, monitor each new program or new agency that the Legislature creates during an annual general session or a special session](#); [33, Government Performance Management and Optimization, monitor targeted production processes.](#)~~

(5) The audit, examination, or review of any entity that receives public funds may include a determination of any or all of the following:

- (a) the honesty and integrity of all [its] the entity's fiscal affairs;
- (b) the accuracy and reliability of [its] the entity's financial statements and reports;
- (c) whether or not [its] the entity's financial controls are adequate and effective to properly record and safeguard its acquisition, custody, use, and accounting of public funds;
- (d) whether or not [its] the entity's administrators have faithfully adhered to legislative intent;
- (e) whether or not [its] the entity's operations have been conducted in an efficient, effective, and cost efficient manner;
- (f) whether or not [its] the entity's programs have been effective in accomplishing intended objectives; and
- (g) whether or not [its] the entity's management control and information systems are adequate and effective.

(6) The Office of the Legislative Auditor General:

(a) (i) shall, notwithstanding any other provision of law, have access to all records, documents, and reports of any entity that receives public funds that are necessary to the scope of the duties of the legislative auditor general or the office; and

(ii) may issue a subpoena to obtain access as provided in Subsection (6)(a)(i) using the procedures contained in Title 36, Chapter 14, Legislative Subpoena Powers;

(b) establish policies, procedures, methods, and standards of audit work for the office and staff;

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(c) prepare and submit each audit report without interference from any source relative to the content of the report, the conclusions reached in the report, or the manner of disclosing the results of the legislative auditor general's findings; and

(d) prepare and submit the annual budget request for the office.

(7) To preserve the professional integrity and independence of the office:

(a) no legislator or public official may urge the appointment of any person to the office;

and

(b) the legislative auditor general may not be appointed to serve on any board, authority, commission, or other agency of the state during the legislative auditor general's term as legislative auditor general.

(8) The following records in the custody or control of the legislative auditor general shall be protected records under Title 63G, Chapter 2, Government Records Access and Management Act:

(a) Records that would disclose information relating to allegations of personal misconduct, gross mismanagement, or illegal activity of a past or present governmental employee if the information or allegation cannot be corroborated by the legislative auditor general through other documents or evidence, and the records relating to the allegation are not relied upon by the legislative auditor general in preparing a final audit report.

(b) Records and audit workpapers to the extent they would disclose the identity of a person who during the course of a legislative audit, communicated the existence of any waste of public funds, property, or manpower, or a violation or suspected violation of a law, rule, or regulation adopted under the laws of this state, a political subdivision of the state, or any recognized entity of the United States, if the information was disclosed on the condition that the identity of the person be protected.

(c) Prior to the time that an audit is completed and the final audit report is released, records or drafts circulated to a person who is not an employee or head of a governmental entity for their response or information.

(d) Records that would disclose an outline or part of any audit survey plans or audit program.

(e) Requests for audits, if disclosure would risk circumvention of an audit.

(f) The provisions of Subsections (8)(a), (b), and (c) do not prohibit the disclosure of

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records or information that relate to a violation of the law by a governmental entity or employee to a government prosecutor or peace officer.

(g) The provisions of this section do not limit the authority otherwise given to the legislative auditor general to classify a document as public, private, controlled, or protected under Title 63G, Chapter 2, Government Records Access and Management Act.

(9) The legislative auditor general shall:

(a) be available to the Legislature and to [its] the Legislature's committees for consultation on matters relevant to areas of the legislative auditor general's professional competence;

(b) conduct special audits as requested by the Legislative Management Committee;

(c) report immediately in writing to the Legislative Management Committee through its audit subcommittee any apparent violation of penal statutes disclosed by the audit of a state agency and furnish to the Legislative Management Committee all information relative to the apparent violation;

(d) report immediately in writing to the Legislative Management Committee through its audit subcommittee any apparent instances of malfeasance or nonfeasance by a state officer or employee disclosed by the audit of a state agency; and

(e) make any recommendations to the Legislative Management Committee through its audit subcommittee with respect to the alteration or improvement of the accounting system used by any entity that receives public funds.

(10) If the legislative auditor general conducts an audit of a state agency that has previously been audited and finds that the state agency has not implemented a recommendation made by the legislative auditor general in a previous audit, the legislative auditor general shall, upon release of the audit:

(a) report immediately in writing to the Legislative Management Committee through its audit subcommittee that the state agency has not implemented that recommendation; and

(b) shall report, as soon as possible, that the state agency has not implemented that recommendation to a meeting of an appropriate legislative committee designated by the audit subcommittee of the Legislative Management Committee.

(11) (a) Prior to each annual general session, the legislative auditor general shall prepare a summary of the audits conducted and of actions taken based upon them during the

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preceding year.

(b) This report shall also set forth any items and recommendations that are important for consideration in the forthcoming session, together with a brief statement or rationale for each item or recommendation.

(c) The legislative auditor general shall deliver the report to the Legislature and to the appropriate committees of the Legislature.

(12) (a) No person or entity may:

(i) interfere with a legislative audit, examination, or review of any entity conducted by the office; or

(ii) interfere with the office relative to the content of the report, the conclusions reached in the report, or the manner of disclosing the results and findings of the office.

(b) Any person or entity that violates the provisions of this Subsection (12) is guilty of a class B misdemeanor.

(13) (a) Beginning July 1, 2020, the Office of the Legislative Auditor General may require any current employee, or any applicant for employment, to submit to a fingerprint-based local, regional, and criminal history background check as an ongoing condition of employment.

(b) An employee or applicant for employment shall provide a completed fingerprint card to the office upon request. The office shall require that an individual required to submit to a background check under this subsection also provide a signed waiver on a form provided by the office that meets the requirements of Subsection 53-10-108(4).

(c) For a noncriminal justice background search and registration in accordance with Subsection 53-10-108(13), the office shall submit to the Bureau of Criminal Identification:

(i) the employee's or applicant's personal identifying information and fingerprints for a criminal history search of applicable local, regional, and national databases; and

(ii) a request for all information received as a result of the local, regional, and nationwide background check.

Section ~~{2}~~3. Section ~~{36-24-101.1}~~36-33-101 is enacted to read:

~~CHAPTER 24. LEGISLATIVE REVIEW OF NEW PROGRAMS AND~~ ~~NEW AGENCIES~~

~~36-24-101.1}~~33. GOVERNMENT PERFORMANCE MANAGEMENT

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AND OPTIMIZATION

Part 1. General Provisions

36-33-101. Title.

This chapter is known as "Government Performance Management and Optimization."

Section 4. Section 36-33-102 is enacted to read:

36-33-102. Definitions.

As used in this chapter:

(1) (a) "New agency" means a government entity that:

—— (i) is created by legislation that did not exist before passage of the legislation;

—— (ii) requires a new appropriation for new funding;

—— (iii) is modified by legislation to add significant services or benefits that were not previously offered by the government entity; or

—— (iv) is modified by legislation to substantially expand the scope of individuals or entities that are entitled to receive the services or benefits offered by the government entity.

—— (b) "New agency" does not include a government entity that is renamed or moved to another organizational position within the same branch of government unless the government entity meets the criteria} "Appropriated entity" means any entity that receives state funds.

(2) "Performance measure reports" means:

(a) the statement described in Subsection {(1)(a)(iii) or (iv):

—— (2) (a) "New program" means a program that:

—— (i) is created by statute that did not previously exist;

—— (ii) requires a new appropriation or an increased appropriation for the purpose of adding significant services or benefits that were not previously offered;

—— (iii) is modified by legislation to add significant services or benefits that were not previously offered by the program; or

—— (iv) is modified by legislation to substantially expand the scope of individuals or entities that are entitled to receive the services or benefits offered by the program.

—— (b) "New program" does not include a program that is renamed or moved to another organizational position within the same branch of government unless the program meets the criteria} 63J-1-201(4)(b)(v); and

(b) the information described in Subsection {(2)(a)(iii) or (iv):

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~~Section 3. Section 36-24-102, which is renumbered from Section 36-24-101 is renumbered and amended to read:~~

~~[36-24-101].~~ 36-24-102. Review of new programs and new agencies.

~~[(1) When legislation is passed that creates a new program or agency, the legislative sponsor shall consider providing that the funding for the first fiscal year should be nonlapsing; with the option of continuing the nonlapsing money for an additional year.]~~

~~(1) (a) No later than three business days after the day on which the~~ 63J-1-221(2).

(3) "Product or service" means an appropriated entity's final output or outcome.

(4) "Production process" means a set of functions and procedures by which an appropriated entity creates a product or service.

(5) "Targeted production process" means a production process identified for optimization under this chapter.

Section 5. Section 36-33-201 is enacted to read:

Part 2. Performance Management and Optimization Process

36-33-201. Government performance management.

~~(1) The Office of the Legislative Fiscal Analyst {receives an electronic copy of approved legislation from the Office of Legislative Research and General Counsel}~~ shall receive and review performance measure reports.

(2) In consultation with the Governor's Office of Management and Budget, the Office of the Legislative Fiscal Analyst shall:

~~(i) review and analyze the legislation to determine whether the legislation creates a new program or new agency; and~~

~~(ii) designate on the legislation's fiscal note whether the legislation creates a new program or new agency.~~

~~(b) After~~ a) for each executive department appropriated entity, develop program objectives, effectiveness measures, and program size indicators for inclusion in an appropriations act for the current fiscal year; and

(b) consider whether to recommend any legislative changes for a future fiscal year to an executive department appropriated entity's previously adopted program objectives, effectiveness measures, or program size indicators.

(3) The Office of the Legislative Fiscal Analyst shall report the relevant information

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contained in the performance measure reports to the appropriations subcommittees, as appropriate.

(4) Each judicial department appropriated entity and each legislative ~~session~~ department appropriated entity shall annually report to the Legislature:

(a) the appropriated entity's program objectives, effectiveness measures, and program size indicators for inclusion in an appropriations act for the current fiscal year; and

(b) the final status of each appropriated entity's adopted program objectives, effectiveness measures, and program size indicators.

Section 6. Section 36-33-202 is enacted to read:

36-33-202. Government optimization process.

(1) To optimize state government, beginning on May 1, 2022, the Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General shall establish a process to evaluate the state's production processes.

(2) The Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General shall submit a plan to the Legislative Management Committee that:

(a) prioritizes the production processes that the Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General will target for optimization; and

(b) establishes a schedule by which the Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General will conduct each targeted production process's optimization evaluation.

(3) (a) When conducting an optimization evaluation under this section, the Office of the Legislative Fiscal Analyst shall ~~provide~~ work with the appropriated entity that administers the targeted production process to identify:

(i) any operational inefficiencies in the targeted production process and ways to eliminate the inefficiencies; and

(ii) incentives for the targeted production process's optimization.

(b) The Office of the Legislative Fiscal Analyst shall report to the Office of the Legislative Auditor General ~~a list of passed legislation that creates a new program or new agency~~:

~~(2) After the day on which legislation that creates a new program or new agency becomes effective~~ the results of each optimization evaluation.

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(4) (a) For each targeted production process that the Office of the Legislative Fiscal Analyst evaluates, the Office of the Legislative Auditor General shall ~~provide to each government entity that administers the new program or new agency:~~

~~(a) a list of best practices to assist the government entity with the creation of the new program or new agency, including:~~

~~(i) policies that promote best practices;~~

~~(ii) performance measures; and~~

~~(iii) data collection procedures;~~

~~(b) within one year after the day on which the legislation creating the new program or new agency becomes effective, a survey instrument requesting a self evaluation that requests information related to the new program or new agency, including policies, performance measures, and data collection; and~~

~~(c) within two years after the day on which the legislation creating the new program or new agency becomes effective, a second survey instrument as}~~conduct a risk assessment to determine the extent to which the appropriated entity has optimized the targeted production process in accordance with the optimization evaluation.

(b) Based on the evaluation described in Subsection ~~(2)(b)~~.

~~(3) (a) A government entity that receives a self evaluation survey instrument described in Subsection (2) shall submit the completed survey instrument to}~~4)(a), the Office of the Legislative Auditor General {by}may recommend to the {deadline}Audit Subcommittee created in Section 36-12-8 that the Office of the Legislative Auditor General ~~establishes:~~

~~(b) Following receipt of the government entity's response to the self evaluation survey instruments described in Subsection (2), the Office of the Legislative Auditor General may recommend to the Audit Subcommittee created in Section 36-12-8 that the Office of the Legislative Auditor General }conduct an {audit of the new program or new agency.~~

~~(c) If directed by the Audit Subcommittee under Subsection (3)(b) to conduct an audit of a new program or new agency, the}~~in-depth review of the targeted production process.

(c) The Office of the Legislative Auditor General shall provide a ~~limited scope audit report on the new program or new agency to the}~~copy of any in-depth review described in Subsection (4)(b) to the legislative interim committee and the legislative appropriations subcommittee with oversight responsibility for the ~~new program or new agency, including a~~

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~~recommendation as to whether the new program or new agency is fulfilling the new program's or new agency's statutory directive:~~

~~—— (4) When making a recommendation under Subsection (3),~~ targeted production process.

(5) (a) Upon receipt of an in-depth review described in Subsection (4), a legislative interim committee shall:

(i) review the targeted production process that is the subject of the in-depth review; and
(ii) if appropriate, recommend to the Legislature any legislation to optimize the targeted production process.

(b) Upon receipt of an in-depth review described in Subsection (4), a legislative appropriations subcommittee shall:

(i) review the targeted production process that is the subject of the in-depth review; and
(ii) determine whether the appropriated entity that administers the targeted production process is appropriately using the state funds.

(6) As part of the optimization process described in this section, the Office of the Legislative Fiscal Analyst or the Office of the Legislative Auditor General may recommend or provide training to an appropriated entity that administers a targeted production process.

(7) Before December 31 of each calendar year, the Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General shall ~~consider information the Office of~~ report to ~~the Legislative Fiscal Analyst provides under Section 63J-1-221.~~

~~—— (2) (5) The [legislative] interim committee with oversight responsibility for [the] a new program or new agency:~~

~~—— (a) shall hear the limited scope audit report prepared by the Office of the Legislative Auditor General [as provided in Section 36-12-15] as described in Subsection (3) on or before [the committee's] November [meeting] 30;~~

~~—— (b) shall review each new program or new agency on which [it] the interim committee receives a limited scope audit report to [assure that it] ensure that the new program or new agency is being implemented in a manner consistent with [its] the new program's or new agency's statutory directive;~~

~~—— (c) shall determine whether the statutory directive is being followed and whether any change in law is necessary and, if a change in law is necessary, make that recommendation to~~

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~~the Legislature; and~~

~~— (d) may request the Office of the Legislative Auditor General to conduct a more in-depth review of the new program or new agency.~~

~~— [(3)] (6) The [legislative] appropriations subcommittee with oversight responsibility for [the] a new program or new agency:~~

~~— (a) shall hear the limited scope audit report prepared by the Office of the Legislative Auditor General [as provided in Section 36-12-15] as described in Subsection (3) on or before [the committee's] November [meeting] 30;~~

~~— (b) shall review each new program or new agency on which [it] the appropriations subcommittee receives a limited scope audit report to determine whether the government entity that administers the new program or new agency is appropriately using the funds [provided] that the Legislature appropriated; and~~

~~— (c) may request the Office of the Legislative Auditor General to conduct a more in-depth review of the new program or new agency.~~ Management Committee regarding the legislative optimization process described in this section, including any recommendations for improving the process.

Section 7. Section 63I-1-263 is amended to read:

63I-1-263. Repeal dates, Titles 63A to 63N.

(1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:

(a) Subsection 63A-1-201(1) is repealed;

(b) Subsection 63A-1-202(2)(c), the language "using criteria established by the board" is repealed;

(c) Section 63A-1-203 is repealed;

(d) Subsections 63A-1-204(1) and (2), the language "After consultation with the board, and" is repealed; and

(e) Subsection 63A-1-204(1)(b), the language "using the standards provided in Subsection 63A-1-203(3)(c)" is repealed.

(2) Subsection 63A-5b-405(5), relating to prioritizing and allocating capital improvement funding, is repealed July 1, 2024.

(3) Section 63A-5b-1003, State Facility Energy Efficiency Fund, is repealed July 1, 2023.

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- (4) Sections 63A-9-301 and 63A-9-302, related to the Motor Vehicle Review Committee, are repealed July 1, 2023.
- (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1, 2028.
- (6) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1, 2025.
- (7) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed July 1, 2024.
- (8) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is repealed July 1, 2021.
- (9) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is repealed July 1, 2023.
- (10) Title 63C, Chapter 21, Outdoor Adventure Commission, is repealed July 1, 2025.
- (11) Title 63F, Chapter 2, Data Security Management Council, is repealed July 1, 2025.
- (12) Section 63G-6a-805, which creates the Purchasing from Persons with Disabilities Advisory Board, is repealed July 1, 2026.
- (13) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1, 2025.
- (14) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1, 2024.
- (15) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.
- (16) Subsection 63J-1-602.1(14), Nurse Home Visiting Restricted Account is repealed July 1, 2026.
- (17) (a) Subsection 63J-1-602.1(58), relating to the Utah Statewide Radio System Restricted Account, is repealed July 1, 2022.
- (b) When repealing Subsection 63J-1-602.1(58), the Office of Legislative Research and General Counsel shall, in addition to the office's authority under Subsection 36-12-12(3), make necessary changes to subsection numbering and cross references.
- (18) Subsection 63J-1-602.2~~(4)~~(5), referring to dedicated credits to the Utah Marriage Commission, is repealed July 1, 2023.

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(19) Subsection 63J-1-602.2~~(5)~~(6), referring to the Trip Reduction Program, is repealed July 1, 2022.

(20) Subsection 63J-1-602.2~~(25)~~(24), related to the Utah Seismic Safety Commission, is repealed January 1, 2025.

(21) Title 63J, Chapter 4, Part 5, Resource Development Coordinating Committee, is repealed July 1, 2027.

(22) Subsection 63J-4-608(3), which creates the Federal Land Application Advisory Committee, is repealed on July 1, 2021.

(23) In relation to the Utah Substance Use and Mental Health Advisory Council, on January 1, 2023:

(a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are repealed;

(b) Section 63M-7-305, the language that states "council" is replaced with "commission";

(c) Subsection 63M-7-305(1) is repealed and replaced with:

"(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

(d) Subsection 63M-7-305(2) is repealed and replaced with:

"(2) The commission shall:

(a) provide ongoing oversight of the implementation, functions, and evaluation of the Drug-Related Offenses Reform Act; and

(b) coordinate the implementation of Section 77-18-1.1 and related provisions in Subsections 77-18-1(5)(b)(iii) and (iv)."

(24) The Crime Victim Reparations and Assistance Board, created in Section 63M-7-504, is repealed July 1, 2027.

(25) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed July 1, 2022.

(26) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2021.

(27) Subsection 63N-1-301(4)(c), related to the Talent Ready Utah Board, is repealed January 1, 2023.

(28) Title 63N, Chapter 1, Part 5, Governor's Economic Development Coordinating Council, is repealed July 1, 2024.

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(29) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

(30) Section 63N-2-512 is repealed July 1, 2021.

(31) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed January 1, 2021.

(b) Section 59-9-107 regarding tax credits against premium taxes is repealed for calendar years beginning on or after January 1, 2021.

(c) Notwithstanding Subsection (31)(b), an entity may carry forward a tax credit in accordance with Section 59-9-107 if:

(i) the person is entitled to a tax credit under Section 59-9-107 on or before December 31, 2020; and

(ii) the qualified equity investment that is the basis of the tax credit is certified under Section 63N-2-603 on or before December 31, 2023.

(32) Subsections 63N-3-109(2)(e) and 63N-3-109(2)(f)(i) are repealed July 1, 2023.

(33) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed July 1, 2023.

(34) Title 63N, Chapter 7, Part 1, Board of Tourism Development, is repealed July 1, 2025.

(35) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant Program, is repealed January 1, 2023.

(36) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed January 1, 2023.

Section ~~4~~8. Section **63J-1-201** is amended to read:

63J-1-201. Governor's proposed budget to Legislature -- Contents -- Preparation -- Appropriations based on current tax laws and not to exceed estimated revenues.

(1) The governor shall deliver, not later than 30 days before the date the Legislature convenes in the annual general session, a confidential draft copy of the governor's proposed budget recommendations to the Office of the Legislative Fiscal Analyst according to the requirements of this section.

(2) (a) When submitting a proposed budget, the governor shall, within the first three days of the annual general session of the Legislature, submit to the presiding officer of each house of the Legislature:

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- (i) a proposed budget for the ensuing fiscal year;
 - (ii) a schedule for all of the proposed changes to appropriations in the proposed budget, with each change clearly itemized and classified; and
 - (iii) as applicable, a document showing proposed changes in estimated revenues that are based on changes in state tax laws or rates.
- (b) The proposed budget shall include:
- (i) a projection of:
 - (A) estimated revenues by major tax type;
 - (B) 15-year trends for each major tax type;
 - (C) estimated receipts of federal funds;
 - (D) 15-year trends for federal fund receipts; and
 - (E) appropriations for the next fiscal year;
 - (ii) the source of changes to all direct, indirect, and in-kind matching funds for all federal grants or assistance programs included in the budget;
 - (iii) changes to debt service;
 - (iv) a plan of proposed changes to appropriations and estimated revenues for the next fiscal year that is based upon the current fiscal year state tax laws and rates and considers projected changes in federal grants or assistance programs included in the budget;
 - (v) an itemized estimate of the proposed changes to appropriations for:
 - (A) the [~~Legislative Department~~] legislative department as certified to the governor by the president of the Senate and the speaker of the House;
 - (B) the [~~Executive Department~~] executive department;
 - (C) the [~~Judicial Department~~] judicial department as certified to the governor by the state court administrator;
 - (D) changes to salaries payable by the state under the Utah Constitution or under law for lease agreements planned for the next fiscal year; and
 - (E) all other changes to ongoing or one-time appropriations, including dedicated credits, restricted funds, nonlapsing balances, grants, and federal funds;
 - (vi) for each line item, the average annual dollar amount of staff funding associated with all positions that were vacant during the last fiscal year;
 - (vii) deficits or anticipated deficits;

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(viii) the recommendations for each state agency for new full-time employees for the next fiscal year, which shall also be provided to the director of the Division of Facilities Construction and Management as required by Subsection 63A-5b-501(3);

(ix) a written description and itemized report submitted by a state agency to the Governor's Office of Management and Budget under Section 63J-1-220, including:

(A) a written description and an itemized report provided at least annually detailing the expenditure of the state money, or the intended expenditure of any state money that has not been spent; and

(B) a final written itemized report when all the state money is spent;

(x) any explanation that the governor may desire to make as to the important features of the budget and any suggestion as to methods for the reduction of expenditures or increase of the state's revenue; and

(xi) information detailing certain fee increases as required by Section 63J-1-504.

(3) (a) ~~[For]~~ Except as provided in Subsection (3)(b), for the purpose of preparing and reporting the proposed budget, the governor:

~~[(a) The governor]~~

(i) shall require the proper state officials, including all public and higher education officials, all heads of executive and administrative departments and state institutions, bureaus, boards, commissions, and agencies expending or supervising the expenditure of the state money, and all institutions applying for state money and appropriations, to provide itemized estimates of changes in revenues and appropriations[?];

~~[(b) The governor]~~

(ii) may require the persons and entities subject to Subsection (3)(a)(i) to provide other information under these guidelines and at times as the governor may direct, which may include a requirement for program productivity and performance measures, where appropriate, with emphasis on outcome indicators[?]; and

~~[(c) The governor]~~

(iii) may require representatives of public and higher education, state departments and institutions, and other institutions or individuals applying for state appropriations to attend budget meetings.

(b) ~~{Subsection}~~ Subsections (3)(a) ~~{does}~~ (ii) and (iii) do not apply to the ~~{Judicial}~~

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~~Department}~~ judicial department or the ~~{Legislative Department}~~ legislative department.

(4) (a) ~~{}~~ The Governor's Office of Management and Budget shall provide to the Office of the Legislative Fiscal Analyst, as soon as practicable, but no later than 30 days before the ~~[date]~~ day on which the Legislature convenes in the annual general session, ~~{The Governor's Office of Management and Budget shall provide to the Office of the Legislative Fiscal Analyst, as soon as practicable, but no later than 30 days before the day on which the Legislature convenes in the annual general session.}~~ data, analysis, or requests used in preparing the governor's budget recommendations, notwithstanding the restrictions imposed on such recommendations by available revenue.

(b) The information under Subsection (4)(a) shall include:

- (i) actual revenues and expenditures for the fiscal year ending the previous June 30;
- (ii) estimated or authorized revenues and expenditures for the current fiscal year;
- (iii) requested revenues and expenditures for the next fiscal year;

(iv) detailed explanations of any differences between the amounts appropriated by the Legislature in the current fiscal year and the amounts reported under Subsections (4)(b)(ii) and (iii); ~~{and}~~

~~{}~~(v) a statement of: ~~{}~~

~~{}~~(A) each executive department's agency and program objectives, effectiveness measures, and program size indicators; ~~{}~~ and

~~{}~~(B) the final status of the executive department's program objectives, effectiveness measures, and program size indicators included in the appropriations act for the fiscal year ending the previous June 30; and ~~{}~~

~~[(C) the current status of the program objectives, effectiveness measures, and program size indicators included in the appropriations act for the current fiscal year; and]~~

~~{}~~(vi) ~~{(v)}~~ other budgetary information required by the Legislature in statute.

(c) The budget information under Subsection (4)(a) shall cover:

(i) all items of appropriation, funds, and accounts included in appropriations acts for the current and previous fiscal years; and

(ii) any new appropriation, fund, or account items requested for the next fiscal year.

(d) The information provided under Subsection (4)(a) may be provided as a shared record under Section 63G-2-206 as considered necessary by the Governor's Office of

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Management and Budget.

(5) (a) In submitting the budget for the Department of Public Safety, the governor shall include a separate recommendation in the governor's budget for maintaining a sufficient number of alcohol-related law enforcement officers to maintain the enforcement ratio equal to or below the number specified in Subsection 32B-1-201(2).

(b) If the governor does not include in the governor's budget an amount sufficient to maintain the number of alcohol-related law enforcement officers described in Subsection (5)(a), the governor shall include a message to the Legislature regarding the governor's reason for not including that amount.

(6) (a) The governor may revise all estimates, except those relating to the ~~Legislative Department, the Judicial Department~~ legislative department, the judicial department, and those providing for the payment of principal and interest to the state debt and for the salaries and expenditures specified by the Utah Constitution or under the laws of the state.

(b) The estimate for the ~~Judicial Department~~ judicial department, as certified by the state court administrator, shall also be included in the budget without revision, but the governor may make separate recommendations on the estimate.

(7) The total appropriations requested for expenditures authorized by the budget may not exceed the estimated revenues from taxes, fees, and all other sources for the next ensuing fiscal year.

(8) If any item of the budget as enacted is held invalid upon any ground, the invalidity does not affect the budget itself or any other item in ~~it~~ the budget.

~~{~~ (9) On or before October 1 of each calendar year, the Governor's Office of Management and Budget shall provide to the Office of the Legislative Fiscal Analyst a statement of:

~~_____ (a) the Executive Department's agency and program objectives, effectiveness measures, and program size indicators; and~~

~~_____ (b) the final status of the Executive Department's agency and program objectives, effectiveness measures, and program size indicators included in the appropriations act for the fiscal year ending the previous June 30.~~

~~}~~ Section ~~{5}~~9. Section **63J-1-221** is enacted to read:

63J-1-221. Performance reporting for ~~{newly funded budget}~~funding items.

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(1) As used in this section:

~~(a) "New agency"~~ Appropriated entity" means the same as that term is defined in Section ~~36-24-101.1.~~

~~(b) "New program" means the same as that term is defined in Section 36-24-101.1.~~

~~(c) "Newly funded budget item" means a project, program, or entity to which the Legislature appropriates~~ 36-33-102.

(b) "Funding item" means an increase of \$10,000 or more ~~from the General Fund or the Education Fund, including a new program or new agency.~~

~~(2) (a) Within~~ to an appropriated entity's state funding that results from action during a legislative session.

(2) For each funding item, the Governor's Office of Management and Budget shall provide the Office of the Legislative Fiscal Analyst:

(a) within 45 days after the day on which the Legislature adjourns a legislative session sine die, ~~the state entity to which the Legislature appropriated funding during the legislative session for a newly funded budget item shall submit to the Office of the Legislative Fiscal Analyst~~ one or more proposed performance measures ~~for each newly funded budget item.~~

~~(b) The state entity described in Subsection (2)(a) shall work~~ developed ~~in consultation with the Office of the Legislative Fiscal Analyst~~ and the Governor's Office of Management and Budget to develop each performance measure for the newly funded budget item.

~~(c) Upon receiving a performance measure that an agency submits under this Subsection (2), the Office of the Legislative Fiscal Analyst shall provide the performance measure to the appropriations subcommittee with oversight responsibility of the newly funded budget item to review and recommend changes, if any.~~

~~(3) On or before August 30 of the fiscal year immediately following the first~~ b) on or before September 1 of each calendar year after the close of the ~~fiscal year in which~~ a state entity receives funding for a newly funded budget item, the state agency shall submit to the Office of the Legislative Fiscal Analyst the funding item was first funded, a report that includes:

~~(a) i) the results of each performance measure~~ reviewed by an appropriations subcommittee under described in Subsection (2)(~~c~~)a);

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~~(b)ii~~ the actual amount the ~~{agency}~~appropriated entity spent, if any, on the ~~{newly funded budget item during the first fiscal year; and~~

~~_____ (c) (i) if the newly funded budget item is }funding item; and~~

~~(iii) if the funding item is not fully implemented, the month and year in which the ~~{newly funded budget item was fully implemented; or~~~~

~~_____ (ii) if the newly funded budget item is not fully implemented:~~

~~_____ (A) an explanation of why the newly funded budget item is not fully implemented; and~~

~~_____ (B) the month and year in which the state ~~agency}~~appropriated entity anticipates fully implementing the ~~{newly funded budget item}.~~~~

~~_____ (4) (a) If a newly funded budget item is a new program or new agency, the Office of the Legislative Fiscal Analyst shall provide to the Office of the Legislative Auditor General the report for each new program or new agency as described in Subsection (3):~~

~~_____ (b) The Office of the Legislative Auditor General shall use the information provided under Subsection (4)(a) when conducting a review of a new agency or new program under Title 36, Chapter 24, Legislative Review of New Programs or Agencies:~~

~~_____ Section 6} funding item.~~

Section 10. Section **63J-1-602.2** is amended to read:

63J-1-602.2. List of nonlapsing appropriations to programs.

Appropriations made to the following programs are nonlapsing:

- (1) The Legislature and the Legislature's committees.
- (2) The State Board of Education, including all appropriations to agencies, line items, and programs under the jurisdiction of the State Board of Education, in accordance with Section 53F-9-103.
- (3) The Percent-for-Art Program created in Section 9-6-404.
- (4) The LeRay McAllister Critical Land Conservation Program created in Section 11-38-301.
- (5) Dedicated credits accrued to the Utah Marriage Commission as provided under Subsection 17-16-21(2)(d)(ii).
- (6) The Trip Reduction Program created in Section 19-2a-104.
- (7) The Division of Wildlife Resources for the appraisal and purchase of lands under the Pelican Management Act, as provided in Section 23-21a-6.

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- (8) The emergency medical services grant program in Section 26-8a-207.
- (9) The primary care grant program created in Section 26-10b-102.
- (10) Sanctions collected as dedicated credits from Medicaid provider under Subsection 26-18-3(7).
- (11) The Utah Health Care Workforce Financial Assistance Program created in Section 26-46-102.
- (12) The Rural Physician Loan Repayment Program created in Section 26-46a-103.
- (13) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.
- (14) Funds that the Department of Alcoholic Beverage Control retains in accordance with Subsection 32B-2-301(8)(a) or (b).
- (15) The General Assistance program administered by the Department of Workforce Services, as provided in Section 35A-3-401.
- ~~[(16) A new program or agency that is designated as nonlapsing under Section 36-24-101.]~~
- ~~[(17)]~~ (16) The Utah National Guard, created in Title 39, Militia and Armories.
- ~~[(18)]~~ (17) The State Tax Commission under Section 41-1a-1201 for the:
- (a) purchase and distribution of license plates and decals; and
- (b) administration and enforcement of motor vehicle registration requirements.
- ~~[(19)]~~ (18) The Search and Rescue Financial Assistance Program, as provided in Section 53-2a-1102.
- ~~[(20)]~~ (19) The Motorcycle Rider Education Program, as provided in Section 53-3-905.
- ~~[(21)]~~ (20) The Utah Board of Higher Education for teacher preparation programs, as provided in Section 53B-6-104.
- ~~[(22)]~~ (21) The Medical Education Program administered by the Medical Education Council, as provided in Section 53B-24-202.
- ~~[(23)]~~ (22) The Division of Services for People with Disabilities, as provided in Section 62A-5-102.
- ~~[(24)]~~ (23) The Division of Fleet Operations for the purpose of upgrading underground storage tanks under Section 63A-9-401.
- ~~[(25)]~~ (24) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.
- ~~[(26)]~~ (25) Appropriations to the Department of Technology Services for technology

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innovation as provided under Section 63F-4-202.

~~[(27)]~~ (26) The Office of Administrative Rules for publishing, as provided in Section 63G-3-402.

~~[(28)]~~ (27) The Governor's Office of Economic Development to fund the Enterprise Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

~~[(29)]~~ (28) Appropriations to fund the Governor's Office of Economic Development's Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program.

~~[(30)]~~ (29) Appropriations to fund programs for the Jordan River Recreation Area as described in Section 65A-2-8.

~~[(31)]~~ (30) The Department of Human Resource Management user training program, as provided in Section 67-19-6.

~~[(32)]~~ (31) A public safety answering point's emergency telecommunications service fund, as provided in Section 69-2-301.

~~[(33)]~~ (32) The Traffic Noise Abatement Program created in Section 72-6-112.

~~[(34)]~~ (33) The Judicial Council for compensation for special prosecutors, as provided in Section 77-10a-19.

~~[(35)]~~ (34) A state rehabilitative employment program, as provided in Section 78A-6-210.

~~[(36)]~~ (35) The Utah Geological Survey, as provided in Section 79-3-401.

~~[(37)]~~ (36) The Bonneville Shoreline Trail Program created under Section 79-5-503.

~~[(38)]~~ (37) Adoption document access as provided in Sections 78B-6-141, 78B-6-144, and 78B-6-144.5.

~~[(39)]~~ (38) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent Defense Commission.

~~[(40)]~~ (39) The program established by the Division of Facilities Construction and Management under Section 63A-5b-703 under which state agencies receive an appropriation and pay lease payments for the use and occupancy of buildings owned by the Division of Facilities Construction and Management.

Section 11. Repealer.

This bill repeals:

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Section 36-24-101, Review of new programs and agencies.