

HB0317S01 compared with HB0317

~~{Omitted text}~~ shows text that was in HB0317 but was omitted in HB0317S01

inserted text shows text that was not in HB0317 but was inserted into HB0317S01

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Executive Agency Innovation Incentives

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melissa G. Ballard

Senate Sponsor: Evan J. Vickers

2

3 LONG TITLE

4 General Description:

5 This bill amends and enacts provisions relating to efficiency improvement processes and
6 certain funding requirements in the Governor's Office of Planning and Budget.

7 Highlighted Provisions:

8 This bill:

- 9 ▶ amends criteria for certain funds to be treated as nonlapsing;
- 10 ▶ amends provisions relating to efficiency improvement processes in the Governor's Office of
Planning and Budget, including:
 - 12 • identifying and prioritizing processes to incentivize, recognize, and reward a certain entity or
entity employee for efficiency;
 - 14 • providing for a certain entity or entity employee to recommend an efficiency evaluation;
 - 16 • assessing certain metrics and outcomes to determine whether a certain entity's or entity's
employee's recommendation results in cost-savings or time-savings; and
 - 18 • whether the nonlapsing funds are used for employee retention or incentives;
- 19 ▶ provides for reporting requirements; and

HB0317

HB0317 compared with HB0317S01

20 ▸ makes technical and conforming changes.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

26 AMENDS:

27 **63J-1-602** , as last amended by Laws of Utah 2024, Chapter 86 , as last amended by Laws of Utah
2024, Chapter 86

28 **63J-1-904** , as last amended by Laws of Utah 2023, Chapter 24 , as last amended by Laws of Utah
2023, Chapter 24

29

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

31 Section 1. Section **63J-1-602** is amended to read:

32 **63J-1-602. Nonlapsing appropriations.**

- 33 (1) The appropriations from a fund or account and appropriations to a program that are listed in Section
63J-1-602.1 or 63J-1-602.2 are nonlapsing.
- 35 (2) No appropriation from a fund or account or appropriation to a program may be treated as nonlapsing
unless:
- 37 (a) it is listed in Section 63J-1-602.1 or 63J-1-602.2;
- 38 (b) it is designated in a condition of appropriation in the appropriations bill; [~~or~~]
- 39 (c) nonlapsing authority is granted under Section 63J-1-603[~~;~~] ; or
- 40 (d) it is reviewed under Section 63J-1-904.
- 41 (3) Each legislative appropriations subcommittee shall review the accounts and funds that have been
granted nonlapsing authority under the provisions of this section or Section 63J-1-603.
- 44 (4) Except as provided in Subsection (5), on or before October 1 of each calendar year, an agency shall
submit to the legislative appropriations subcommittee with jurisdiction over the agency's budget a
report that describes the agency's plan to expend any nonlapsing appropriations, including:
- 48 (a) if applicable, the results of the prior year's planned use of the agency's nonlapsing appropriations;
and
- 50 (b) if the agency plans to save all or a portion of the agency's nonlapsing appropriations over multiple
years to pay for an anticipated expense:

HB0317 compared with HB0317S01

- 52 (i) the estimated cost of the expense; and
53 (ii) the number of years until the agency will accumulate the amount required to pay for the expense.
55 (5) The State Board of Education shall submit the report described in Subsections (4)(a) and (b) on or
before October 10 of each calendar year.

57 Section 2. Section **63J-1-904** is amended to read:

58 **63J-1-904. Efficiency improvement process.**

59 (1) The Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst shall
jointly operate a process [~~that~~{ } ~~to:~~]

61 ~~{(a)} { }~~ identifies and prioritizes] to identify and prioritize government processes to target for
efficiency improvements {~~[, { }]~~ ~~; and~~}

63 ~~{(b) incentivize, recognize, and reward an appropriated state entity or an appropriated state entity's
employee to make recommendations for, and implement recommendations from:}~~

66 ~~{(i) an efficiency evaluation; or}~~

67 ~~{(ii) other measurable efficiency improvements.}~~

68 (2) The Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst shall
ensure that the efficiency improvement process described in Subsection (1) addresses the following:

71 (a) the roles of the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal
Analyst throughout the efficiency improvement process;

73 (b) the process by which an appropriated entity's government process is selected for an efficiency
evaluation;

75 (c) the criteria and methodology used for an efficiency evaluation;

76 (d) metrics demonstrating success, including:

77 (i) service delivery savings;

78 (ii) cost-savings; or

79 (iii) time-savings;

80 ~~[(d) whether to provide any rewards or incentives for an appropriated entity to implement
recommendations from an efficiency evaluation;]~~

82 (e) rewards, recognitions, or incentives for an appropriated entity to make recommendations for
or implement recommendations from an efficiency evaluation or other measurable efficiency
improvements;

79

HB0317 compared with HB0317S01

- (f) whether to create a formal or informal committee that advises the efficiency improvement process;
and
- 84 ~~[(f)]~~ (g) the process by which the Governor's Office of Planning and Budget and the Office of the
Legislative Fiscal Analyst notify the Office of the Legislative Auditor General when an efficiency
evaluation is completed.
- 87 (3) ~~{The}~~ On or before October 1 of each year, the entity shall report to the Governor's Office of
Planning and Budget and the Office of the Legislative Fiscal Analyst on the entity's progress toward
the metrics described in Subsection (2)(d) ~~{in accordance with Section 63J-1-903}~~ .
- 90 (4) If the efficiency improvements result in cost-savings, as described in Subsection (2)(d), the entity
may:
- 92 (a) request a portion of funds to be treated as nonlapsing in accordance with Section 63J-1-602; and
94 (b) use the funds for employee retention or employee performance incentives.
- 95 ~~[(3)]~~ (5) The Office of the Legislative Auditor General shall:
- 96 (a) independently review the results of each efficiency evaluation conducted under this section,
including whether the executive department agency implemented any recommendations from the
efficiency evaluation;
- 99 (b) provide a copy of the findings from the review to the Governor's Office of Planning and Budget and
the Office of the Legislative Fiscal Analyst; ~~[and]~~
- 101 (c) ~~{validate}~~ verify the reported progress described in Subsection (3)~~{.}~~ ; and
- 102 ~~[(e)]~~ (d) {report the findings from the review to the Legislative Management Committee.}
- 103 ~~[(4)]~~
- ~~(a) Following an independent review under Subsection (3), the Office of the Legislative Auditor
General may conduct initial survey work at the discretion of the legislative auditor general.]~~
- 106 ~~[(b) If, based on the initial survey work described in Subsection (4)(a), the legislative auditor general
determines further review is necessary, the legislative auditor general shall recommend to the Audit
Subcommittee created in Section 36-12-8 that the Office of the Legislative Auditor General conduct
an in-depth audit of the appropriated entity.]~~
- 111 ~~[(5)]~~ (6) Each calendar year before December 31, the Governor's Office of Planning and Budget
and the Office of the Legislative Fiscal Analyst shall report to the governor and the Legislative
Management Committee, respectively, regarding the status of the efficiency improvement process
and recommended changes, if any.

HB0317 compared with HB0317S01

115 [~~(6)~~] (7) The efficiency improvement process described in this section does not apply to a legislative
department government process.

114 Section 3. **Effective date.**

This bill takes effect on May 7, 2025.

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