

HB0249S01 compared with HB0249

~~{Omitted text}~~ shows text that was in HB0249 but was omitted in HB0249S01

inserted text shows text that was not in HB0249 but was inserted into HB0249S01

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

1

Federal Funds Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: John D. Johnson

2

3

LONG TITLE

4

General Description:

5

This bill modifies provisions related to federal funds.

6

Highlighted Provisions:

7

This bill:

11

- directs the legislative fiscal analyst to submit to the Federalism Commission (commission) the portions of each budget stress test that relate to federal funds;

13

- requires the commission to review and, in the commission's discretion, make legislative recommendations regarding the federal funds portions of each budget stress test;

15

- requires the Utah State University Jon M. Huntsman School of Business to:

16

- create and maintain a publicly available dashboard that visualizes state dependency on federal funds; and

18

- model economic scenarios to inform federal funds contingency planning;and

19

- ~~{includes the commission in the federal funds acceptance process by: }~~

20

-

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~~{ensuring the commission receive a copy of each new federal funds request that does not require legislative review and is approved by the governor, Judicial Council, or State Board of Education; and}~~

23 • ~~{directing the commission to review and make a recommendation regarding each medium impact federal funds request approved by the governor, Judicial Council, or State Board of Education;}~~

26 ▸ ~~{establishes criteria for the commission's review of a medium impact federal funds request;}~~

27 ▸ ~~{directs the commission to categorize each medium impact federal funds request that the commission reviews; and}~~

29 ▸ makes technical and conforming changes.

17 Money Appropriated in this Bill:

18 ▸ This bill appropriates ~~{\$650,000}~~ \$300,000 in operating and capital budgets for fiscal year 2027, all of

19 which is from the Income Tax Fund.

20 Other Special Clauses:

21 None

22 Utah Code Sections Affected:

23 AMENDS:

24 ~~36-12-13 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 439~~

25 ~~63C-4a-303 (Effective 05/06/26) (Repealed 07/01/28), as last amended by Laws of Utah 2025, First Special Session, Chapter 9~~

40 ~~{63J-5-102 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 286}~~

41 ~~{63J-5-201 (Effective 05/06/26), as last amended by Laws of Utah 2021, Chapter 382}~~

42 ~~{63J-5-202 (Effective 05/06/26), as last amended by Laws of Utah 2021, Chapter 382}~~

43 ~~{63J-5-203 (Effective 05/06/26), as last amended by Laws of Utah 2016, Chapter 272}~~

44 ~~{63J-5-203.5 (Effective 05/06/26), as enacted by Laws of Utah 2016, Chapter 272}~~

45 ~~{63J-5-204 (Effective 05/06/26), as last amended by Laws of Utah 2024, Chapter 286}~~

27 ENACTS:

28 ~~53H-4-317 (Effective 05/06/26), Utah Code Annotated 1953~~

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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

(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, special district, or special service district governments;

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- (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; and
- (v) if the proposed bill changes retirement benefits under a system or plan governed by Title 49, Utah State Retirement and Insurance Benefit Act, the anticipated effect on:
 - (A) each affected system's or plan's unfunded actuarial accrued liability and actuarial funded ratio, based on current employer contributions;
 - (B) employer contributions and member contributions;
 - (C) a retiree's retirement allowance;
 - (D) the total cost to active members and retirees; and
 - (E) the total cost to employers for all active members and retirees;
- (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 that, in consultation with the Governor's Office of Planning and Budget:
 - (A) compares estimated future revenue to and expenditure from major funds and tax types under various potential economic conditions;
 - (B) analyzes the economic and policy risks associated with funding for the Medicaid program and expansions of the Medicaid program;
 - (C) measures value at risk; and
 - (D) recommends budgetary actions to manage risk;
- (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;

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(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;
- (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 Title 63J, Chapter 1, Part 9, Government Performance Reporting and Efficiency Process, and legislative rule;
- (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)

(a) Except as provided in Subsection (3)(b), the legislative fiscal analyst shall submit to the Executive Appropriations Committee the results of the budget stress test described in Subsection (2)(e)(iii).

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(b) The legislative fiscal analyst shall submit to the Federalism Commission the portions of the results of the budget stress test that relate to federal funds.

[~~(3)~~] (4) 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)~~] (5) 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.

[~~(5)~~] (6) The Office of the Legislative Fiscal Analyst shall provide any information the State Board of Education reports in accordance with Subsection 53E-3-507(7) to:

(a) the chief sponsor of the proposed bill; and

(b) upon request, any legislator.

Section 2. Section 2 is enacted to read:

53H-4-317. Federal funds contingency planning dashboard.

(1) As used in this section:

(a) "Center" means the Analytics Solutions Center at the Utah State University Jon M. Huntsman School of Business.

(b) "Federalism Commission" means the Federalism Commission created in Section 63C-4a-302.

(2) In consultation with the Federalism Commission and subject to legislative appropriation, the center shall:

(a) create and maintain a digital dashboard that visualizes the risk of federal funds reductions and the state's dependency on federal funds;

(b) ensure that the dashboard is publicly available, user-friendly, and dynamic;

(c) identify, curate, clean, and securely warehouse funding data relevant to creating and maintaining the dashboard;

(d) continuously monitor and update the dashboard's data and functionality to ensure accuracy and compliance with this section;

(e) model economic scenarios to help the state plan for potential reductions in federal funds; and

(f) upon request, report to the Federalism Commission regarding the duties described in this section.

Section 3. Section **63C-4a-303** is amended to read:

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63C-4a-303. Federalism Commission duties -- Evaluation of federal law -- Curriculum on federalism -- Environment discussions -- Oversight of Center for Constitutional Studies in relation to center's federalism duties -- Review of federal funds portion of budget stress test.

(1)

(a) In accordance with Section 63C-4a-304, the commission may evaluate a federal law:

(i) as agreed by a majority of the commission;

(ii) submitted to the commission by a council member; or

(iii) reported to the commission in accordance with Subsection (1)(b).

(b)

(i) To assist the commission in the evaluation of federal law as required in this section and Section 63C-4a-304, the commission may contract with a third party that is a Utah institution of higher education to monitor federal law for possible implications on the principles of federalism.

(ii) A third party contracted to monitor federal law as described in Subsection (1)(b)(i) shall:

(A) monitor federal law for possible implications on the principles of federalism and state sovereignty; and

(B) report to the commission any law or action by the federal government that may implicate the principles of federalism or state sovereignty.

(c)

(i) As used in this Subsection (1)(c), "interim committee" means the same as that term is defined in Section 36-12-1.

(ii) The commission shall provide an annual report to each interim committee concerning any law or action by the federal government that implicates the principles of federalism or state sovereignty.

(iii) The commission may notify the appropriate interim committee of any law or action by the federal government that implicates the principles of federalism or state sovereignty.

(2) The commission may request information regarding a federal law under evaluation from a United States senator or representative elected from the state.

(3) If the commission finds that a federal law is not authorized by the United States Constitution or violates the principle of federalism as described in Subsection 63C-4a-304(2), a commission cochair or the commission may:

(a) request from a United States senator or representative elected from the state:

(i) information about the federal law; or

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- 214 (ii) assistance in communicating with a federal governmental entity regarding the federal law;
216 (b)
- (i) give written notice of an evaluation made under Subsection (1) to the federal governmental entity responsible for adopting or administering the federal law; and
- 218 (ii) request a response by a specific date to the evaluation from the federal governmental entity;
- 220 (c) request a meeting, conducted in person or by electronic means, with the federal governmental entity, a representative from another state, or a United States Senator or Representative elected from the state to discuss the evaluation of federal law and any possible remedy; or
- 224 (d) give written notice of an evaluation and the conclusions of the commission to any other relevant entity.
- 226 (4) The commission may recommend to the governor that the governor call a special session of the Legislature to give the Legislature an opportunity to respond to the commission's evaluation of a federal law.
- 229 (5) A commission cochair may coordinate the evaluation of and response to federal law with another state as provided in Section 63C-4a-305.
- 231 (6) The commission shall keep a current list on the Legislature's website of:
- 232 (a) a federal law that the commission evaluates under Subsection (1);
- 233 (b) an action taken by a cochair of the commission or the commission under Subsection (3);
- 235 (c) any coordination undertaken with another state under Section 63C-4a-305; and
- 236 (d) any response received from a federal government entity that was requested under Subsection (3).
- 238 (7)
- (a) The commission shall develop curriculum for a seminar on the principles of federalism.
- 240 (b) The curriculum under Subsection (7)(a) shall be available to the general public and include:
- 242 (i) fundamental principles of federalism;
- 243 (ii) the sovereignty, supremacy, and jurisdiction of the individual states, including their police powers;
- 245 (iii) the history and practical implementation of the Tenth Amendment to the United States Constitution;
- 247 (iv) the authority and limits on the authority of the federal government as found in the United States Constitution;
- 249 (v) the relationship between the state and federal governments;
- 250 (vi) methods of evaluating a federal law in the context of the principles of federalism;

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- 251 (vii) how and when challenges should be made to a federal law or regulation on the basis of federalism;
253 (viii) the separate and independent powers of the state that serve as a check on the federal government;
255 (ix) first amendment rights and freedoms contained therein; and
256 (x) any other issues relating to federalism the commission considers necessary.
- 257 (8) The commission may apply for and receive grants, and receive private donations to assist in funding
the creation, enhancement, and dissemination of the curriculum.
- 259 (9) The commission shall submit a report on or before November 30 of each year to the Government
Operations Interim Committee and the Natural Resources, Agriculture, and Environment Interim
Committee that:
- 262 (a) describes any action taken by the commission under Section [~~63C-4a-303~~] 63C-4a-304; and
264 (b) includes any proposed legislation the commission recommends.
- 265 (10) The commission shall comply with Section 19-1-110 in discussions with the Department of
Environmental Quality on issues related to the environment or the functioning of the Department of
Environmental Quality.
- 268 (11) The commission shall:
- 269 (a) coordinate with and make recommendations to the center concerning the center's federalism-related
duties under Section 53H-4-703, including:
- 271 (i) the development of the federalism education and training program under Subsection 53H-4-703(1);
and
- 273 (ii) the scope and objectives of:
- 274 (A) the annual federalism conference organized under Subsection 53H-4-703(2);
275 (B) the study conducted under Subsection 53H-4-703(3); and
276 (C) the center's coordination efforts under Subsection 53H-4-703(4);
- 277 (b) coordinate with and make recommendations to the institute regarding the institute's federalism-
related duties under Section 53H-4-704; and
- 279 (c) report annually to the Legislative Management Committee regarding:
- 280 (i) the center's progress in fulfilling the requirements of Section 53H-4-703; and
281 (ii) the institute's progress in fulfilling the requirements of Section 53H-4-704.
- 282 (12) Each executive branch agency shall, at the request of the commission, designate a contact person to
coordinate with the commission regarding the federalism education and training program developed
under Section 53H-4-703 for purposes of:

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- (a) determining the extent of federal jurisdiction in the agency's resource sphere;
- (b) determining whether federal action exceeds the federal government's jurisdictional authority;
- (c) assessing what actions the agency may take in the event that federal action exceeds the federal government's jurisdictional authority; and
- (d) assessing how actions described in Subsection (12)(c) may better enable the agency to use the agency's best judgment in serving the people of Utah.

(13) Upon receipt of the budget stress test results described in Subsection 36-12-13(3)(b), the commission shall review the results and make any related legislative recommendations to the Executive Appropriations Committee.

~~{Section 4. Section 63J-5-102 is amended to read: }~~

63J-5-102. Definitions.

(1) As used in this chapter:

(a)

(i) "Agency" means a department, division, committee, commission, council, court, or other administrative subunit of the state.

(ii) "Agency" includes:

(A) executive branch entities;

(B) judicial branch entities; and

(C) the State Board of Education.

(iii) "Agency" does not mean higher education institutions or political subdivisions.

(b) "Contingency disclosure and plan" means, with respect to a federal funds reauthorization or new federal funds request, the submitting or requesting agency's:

(i) disclosure of:

(A) the likelihood that the amount or value of the federal funds will be reduced, and how that likelihood changes over time; and

(B) the likelihood that the federal funds will become unavailable, and how that likelihood changes over time;

(ii) explanation of:

(A) whether accepting the federal funds may create an expectation of ongoing funding by any beneficiary of the funds; and

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- (B) as applicable, how the agency will communicate to stakeholders that services funded by the federal funds may or will be temporary;
- 317 (iii) plan for how the agency will:
- 318 (A) proceed if the amount or value of the federal funds are unexpectedly reduced in any material degree or amount;
- 320 (B) proceed if the federal funds become unavailable unexpectedly;
- 321 (C) wind down the program or services funded by the federal funds when the federal funds are exhausted; and
- 323 (D) transition any beneficiaries of the funds to a different program or service provider if the agency is unable to continue providing the same program or services due to a decrease or loss of federal funds; and
- 326 (iv) designation of the federal funds and the program or purpose for which the funds will be used as either:
- 328 (A) mandatory under federal or state law;
- 329 (B) high priority; or
- 330 (C) low priority.
- 331 (c)
- (i) "Federal funds" means cash or other money received from the United States government or from other individuals or entities for or on behalf of the United States and deposited with the state treasurer or any agency of the state.
- 334 (ii) "Federal funds" includes federal assistance and federal assistance programs, however described.
- 336 (d) "Federal funds reauthorization" means:
- 337 (i) the formal submission from an agency to the federal government applying for or seeking reauthorization of federal funds which the state is currently receiving;
- 339 (ii) the formal submission from an agency to the federal government applying for or seeking reauthorization to participate in a federal program in which the state is currently participating that will result in federal funds being transferred to an agency; or
- 343 (iii) that period after the first year of a previously authorized and awarded grant or funding award, during which federal funds are disbursed or are scheduled to be disbursed after the first year because the term of the grant or financial award extends for more than one year.
- 347 (e)

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(i) "Federal funds request summary" means a document detailing:

- (A) the amount of money that is being requested or is available to be received by the state from the federal government for each federal funds reauthorization or new federal funds request;
- (B) those federal funds reauthorizations and new federal funds requests that are included as part of the agency's proposed budget for the fiscal year, and the amount of those requests;
- (C) the amount of new state money, if any, that will be required to receive the federal funds or participate in the federal program;
- (D) the number of additional permanent full-time employees, additional permanent part-time employees, or combination of additional permanent full-time employees and additional permanent part-time employees, if any, that the state estimates are needed in order to receive the federal funds or participate in the federal program;
- (E) any requirements that the state must meet as a condition for receiving the federal funds or participating in the federal program; and
- (F) for each federal funds reauthorization for qualifying federal funds and each new federal funds request for qualifying federal funds, a contingency disclosure and plan, and a state jurisdiction evaluation.

(ii) "Federal funds request summary" includes, if available:

- (A) the letter awarding an agency a grant of federal funds or other official documentation awarding an agency a grant of federal funds; and
- (B) a document detailing federal maintenance of effort requirements.

(f) "Federal maintenance of effort requirements" means any matching, level of effort, or earmarking requirements, as defined in Office of Management and Budget requirements, that are imposed on an agency as a condition of receiving federal funds.

(g) "Federalism Commission" means the Federalism Commission created in Section 63C-4a-302.

~~[(g)]~~ (h)

(i) "Intergovernmental transfer program" means an existing reimbursement program or category that is authorized by the Medicaid state plan or waiver authority for intergovernmental transfers.

(ii) "Intergovernmental transfer program" does not include the addition of a provider to an existing intergovernmental transfer program.

~~[(h)]~~ (i) "Local education agency" or "LEA" means:

(i) a school district;

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382 (ii) a charter school; or
383 (iii) the Utah Schools for the Deaf and the Blind.
384 ~~[(i)]~~ (j) "New federal funds" means:
385 (i) federal assistance or other federal funds that are available from the federal government that:
386 (A) the state is not currently receiving; or
387 (B) exceed the federal funds amount most recently approved by the Legislature by more than 25% for a
388 federal grant or program in which the state is currently participating;
389 (ii) a federal assistance program or other federal program in which the state is not currently
390 participating; or
391 (iii) a one-time TANF request.
392 ~~[(j)]~~ (k) "New federal funds request" means:
393 (i) the formal submission from an agency to the federal government:
394 (A) applying for or otherwise seeking to obtain new federal funds; or
395 (B) applying for or seeking to participate in a new federal program that will result in federal funds being
396 transferred to an agency; or
397 (ii) a one-time TANF request.
398 ~~[(k)]~~ (l)
399 (i) "New state money" means money, whether specifically appropriated by the Legislature or not, that
400 the federal government requires Utah to expend as a condition for receiving the federal funds or
401 participating in the federal program.
402 (ii) "New state money" includes money expended to meet federal maintenance of effort requirements.
403 ~~[(l)]~~ (m) "One-time TANF request" means a proposed expenditure by the Department of Workforce
404 Services from its reserves of federal Temporary Assistance for Needy Families funds:
405 (i) for a project or program that will last for a fixed amount of time and is not an ongoing project or
406 program of the Department of Workforce Services; and
407 (ii) that is greater than \$1,000,000 over the amount most recently approved by the Legislature.
408 ~~[(m)]~~ (n) "Qualifying federal funds" means federal funds that are:
409 (i) greater than 10% of the receiving entity's annual budget; or
410 (ii) greater than \$2,000,000.
411 ~~[(n)]~~ (o) "State" means the state of Utah and all of its agencies, and any administrative subunits of those
412 agencies.

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417 [(~~o~~)] (p) "State jurisdiction evaluation" means:

418 (i) a disclosure of:

419 (A) whether accepting the federal funds or participating in the federal program will require the use of
state funds or increase the administrative costs of the state or agency;

422 (B) the extent to which accepting the federal funds or participating in the federal program will impair or
impact the exclusive police power jurisdiction of the state to protect or provide for the health, safety,
welfare, and morals of the state; and

426 (C) the extent to which accepting the federal funds or participating in the federal program will impair or
impact the jurisdiction of the state over federal areas within the state; and

429 (ii) to the extent that accepting the federal funds or participating in the federal program will impair
or impact the state's jurisdiction as described in Subsection [~~(1)(o)(i)(B)~~] (1)(p)(i)(B) or (C), an
identification of the constitutional authority supporting federal assertion of jurisdiction or authority
for the funding, program, or an associated regulation or restriction.

434 (2) When this chapter describes an employee as a "permanent full-time employee" or a "permanent part-
time employee," it is not intended to, and may not be construed to, affect the employee's status as an
at-will employee.

437 {~~Section 5. Section 63J-5-201 is amended to read:~~ }

438 **63J-5-201. Legislative appropriation subcommittees to review certain federal funds
reauthorizations -- Executive appropriations review -- Legislative approval.**

441 (1) The Governor's Office of Planning and Budget shall annually prepare and submit a federal funds
request summary for each agency to the Legislative Fiscal Analyst at the same time the governor
submits the confidential draft budget under Section 63J-1-201.

444 (2)

(a) The Legislative Fiscal Analyst, as directed by the Executive Appropriations Committee, may
include federal funds in the base budget appropriations act or acts, when those acts are prepared as
provided in JR3-2-402.

447 (b) The Legislative Fiscal Analyst shall submit a federal funds request summary for each agency to:

449 (i) the legislative appropriations subcommittee responsible for that agency's budget for review during
each annual general session[-] ; and

451 (ii) the Federalism Commission.

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(3) Each legislative appropriations subcommittee shall review [the] each federal funds request summary and may:

(a) recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration; or

(b) recommend that the agency not accept the federal funds or not participate in the federal program for the fiscal year under consideration.

(4) The [Legislative-]Executive Appropriations Committee shall:

(a) review each subcommittee's recommendation;

(b) determine whether or not the agency should be authorized to accept the federal funds or participate in the federal program; and

(c) direct the Legislative Fiscal Analyst to include or exclude those federal funds and federal programs in an annual appropriations act for approval by the Legislature.

(5) Legislative approval of an appropriations act containing federal funds constitutes legislative approval of the federal grants or awards associated with the federal funds for the purposes of compliance with the requirements of this chapter.

~~{Section 6. Section 63J-5-202 is amended to read: }~~

63J-5-202. Governor to approve certain new federal funds requests.

(1)

(a) Before obligating the state to accept or receive new federal funds or to participate in a new federal program, and no later than three months after submitting a new federal funds request, and, where possible, before formally submitting the new federal funds request, an executive branch agency shall submit a federal funds request summary to the governor or the governor's designee for approval or rejection when:

(i) the state will receive total payments of \$1,000,000 or less per year if the new federal funds request is approved;

(ii) receipt of the new federal funds will require no additional permanent full-time employees, permanent part-time employees, or combination of additional permanent full-time employees and permanent part-time employees; and

(iii) no new state money will be required to match the new federal funds or to implement the new federal program for which the grant is issued.

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(b) The Governor's Office of Planning and Budget shall report each new federal funds request that is approved by the governor or the governor's designee and each new federal funds request granted by the federal government to:

(i) the ~~[Legislature's Executive Appropriations Committee]~~ Federalism Commission;

(ii) the Office of the Legislative Fiscal Analyst; and

(iii) the Office of Legislative Research and General Counsel.

(2) The governor or the governor's designee shall approve or reject each new federal funds request submitted under the authority of this section.

(3)

(a) If the governor or the governor's designee approves the new federal funds request, the executive branch agency may accept the new federal funds or participate in the new federal program.

(b) If the governor or the governor's designee rejects the new federal funds request, the executive branch agency may not accept the new federal funds or participate in the new federal program.

(4) If an executive branch agency fails to obtain the governor's or the governor's designee's approval under this section, the governor may require the agency to:

(a) withdraw the new federal funds request;

(b) return the federal funds;

(c) withdraw from the federal program; or

(d) any combination of Subsections (4)(a), (4)(b), and (4)(c).

(5) If a letter or other official documentation awarding an agency a grant of federal funds is not available to be included in a federal funds request summary submitted to the Governor's Office of Planning and Budget under this section, the agency shall submit to the Governor's Office of Planning and Budget the letter or other official documentation awarding the agency a grant of federal funds before expending the federal funds granted.

~~{Section 7. Section 63J-5-203 is amended to read: }~~

63J-5-203. Judicial council to approve certain new federal funds requests.

(1)

(a) Before obligating the state to accept or receive new federal funds or to participate in a new federal program, and no later than three months after submitting a new federal funds request, and, where possible, before formally submitting the new federal funds request, a judicial branch agency shall submit a federal funds request summary to the Judicial Council for its approval or rejection when:

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- 516 (i) the state will receive total payments of \$1,000,000 or less per year if the new federal funds
request is approved;
- 518 (ii) receipt of the new federal funds will require no additional permanent full-time employees,
additional permanent part-time employees, or combination of additional permanent full-time
employees and permanent part-time employees; and
- 521 (iii) no new state money will be required to match the new federal funds or to implement the new
federal program for which the grant is issued.
- 523 (b) The Judicial Council shall report each new federal funds request that is approved by it and each new
federal funds request granted by the federal government to:
- 525 (i) the ~~[Legislature's Executive Appropriations Committee]~~ Federalism Commission;
- 526 (ii) the Office of the Legislative Fiscal Analyst; and
- 527 (iii) the Office of Legislative Research and General Counsel.
- 528 (2) The Judicial Council shall approve or reject each new federal funds request submitted to it under the
authority of this section.
- 530 (3)
- (a) If the Judicial Council approves the new federal funds request, the judicial branch agency may
accept the new federal funds or participate in the new federal program.
- 532 (b) If the Judicial Council rejects the new federal funds request, the judicial branch agency may not
accept the new federal funds or participate in the new federal program.
- 535 (4) If a judicial branch agency fails to obtain the Judicial Council's approval under this section, the
Judicial Council may require the agency to:
- 537 (a) withdraw the new federal funds request;
- 538 (b) return the federal funds;
- 539 (c) withdraw from the federal program; or
- 540 (d) any combination of Subsections (4)(a), (4)(b), and (4)(c).
- 541 (5) If a letter or other official documentation awarding a judicial branch agency a grant of federal
funds is not available to be included in a federal funds request summary submitted to the Judicial
Council under this section, the judicial branch agency shall submit to the Judicial Council the letter
or other official documentation awarding the judicial branch agency a grant of federal funds before
expending the federal funds granted.

547 ~~{Section 8. Section 63J-5-203.5 is amended to read: }~~

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63J-5-203.5. State Board of Education to approve certain new federal funds requests.

(1)

(a) Before obligating the state to accept or receive new federal funds or to participate in a new federal program, and no later than three months after submitting a new federal funds request, and, where possible, before formally submitting the new federal funds request, the State Board of Education shall review a federal funds request summary of the State Board of Education when:

(i) the state will receive total payments of \$1,000,000 or less per year if the new federal funds request is approved;

(ii) receipt of the new federal funds will require no additional permanent full-time employees, additional permanent part-time employees, or a combination of additional permanent full-time employees and permanent part-time employees; and

(iii) no new state money will be required to match the new federal funds or to implement the new federal program for which the grant is issued.

(b) The State Board of Education shall approve or reject each new federal funds request reviewed under this section.

(2) The State Board of Education shall report each new federal funds request that is approved by the board and each new federal funds request granted to the board by the federal government to:

(a) the ~~[Legislature's Executive Appropriations Committee]~~ Federalism Commission;

(b) the Office of the Legislative Fiscal Analyst; and

(c) the Office of Legislative Research and General Counsel.

(3) If a letter or other official documentation awarding the State Board of Education a grant of federal funds is not available to be included in the federal funds request summary submitted under this section, the letter or other official documentation awarding the State Board of Education a grant of federal funds shall be submitted to the State Board of Education before expending the federal funds granted.

~~{Section 9. Section 63J-5-204 is amended to read: }~~

63J-5-204. Legislative review and approval of certain federal funds requests.

(1) As used in this section:

(a) "High impact federal funds request" means a new federal funds request that will or could:

(i) result in the state receiving total payments of \$10,000,000 or more per year from the federal government;

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- 583 (ii) require the state to add 11 or more permanent full-time employees, 11 or more permanent part-time
employees, or combination of permanent full-time and permanent part-time employees equal to 11
or more in order to receive the new federal funds or participate in the new federal program; or
- 587 (iii) require the state to expend more than \$1,000,000 of new state money in a fiscal year in order to
receive or administer the new federal funds or participate in the new federal program.
- 590 (b) "Medium impact federal funds request" means a new federal funds request that will or could:
- 592 (i) result in the state receiving total payments of more than \$1,000,000 but less than \$10,000,000 per
year from the federal government;
- 594 (ii) require the state to add more than zero but less than 11 permanent full-time employees, more than
zero but less than 11 permanent part-time employees, or a combination of permanent full-time
employees and permanent part-time employees equal to more than zero but less than 11 in order to
receive or administer the new federal funds or participate in the new federal program; or
- 599 (iii) require the state to expend \$1 to \$1,000,000 of new state money in a fiscal year in order to receive
or administer the new federal funds or participate in the new federal program.
- 602 (2)
- (a)
- (i) Before obligating the state to accept or receive new federal funds or to participate in a new
federal program under a medium impact federal funds request that was not authorized during a
legislative session as provided in Section 63J-5-201, an agency shall:
- 606 (A) submit the federal funds request summary to the governor, the Judicial Council, or the
State Board of Education, as appropriate, for approval or rejection; and
- 609 (B) if the governor, the Judicial Council, or the State Board of Education approves the
new federal funds request, submit the federal funds request summary to the ~~[Legislative
Executive Appropriations Committee]~~ Federalism Commission for its review ~~[and
recommendations]~~ in accordance with Subsections (2)(b) and (c).
- 614 (ii) The procedures required under Subsection (2)(a)(i) shall be performed, if possible, before the
date that the medium impact funds request is formally submitted, but not later than three months
after the date of formal submission.
- 617 (b) Upon receipt of a federal funds request summary, the Federalism Commission shall:
- 618 (i) review the federal funds request summary in accordance with Subsection (2)(c); and
- 620 (ii)

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(A) recommend that the agency accept the new federal funds; or

(B) refer the federal funds request summary to the Executive Appropriations Committee for further review as provided in Subsection (2)(c).

(c) When the Federalism Commission reviews a federal funds request summary, the Federalism Commission shall:

(i) consider:

(A) the duration and reliability of the federal funds;

(B) state budget dependence, including the risk of reliance on the federal funds for essential services;

(C) the impact if the amount or value of the federal funds were reduced, including the ability to fund, scale down, or terminate each funded program;

(D) the federal funds' effect on the state's autonomy, including conditions tied to the federal funds and constraints on state policy choices; and

(E) consistency with long-term state goals; and

(ii) based on the Federalism Commission's evaluation of the items described in Subsection (2)(c)(i), determine whether the agency's designation under Subsection 63J-5-102(1)(b)(iv) is the appropriate designation and, if not, which designation described in Subsection 63J-5-102(1)(b)(iv) is the appropriate designation.

~~[(b)]~~ (d) ~~[The Legislative]~~ If the Federalism Commission refers a federal funds request summary to the Executive Appropriations Committee under Subsection (2)(b)(ii)(B), the Executive Appropriations Committee shall:

(i) review the federal funds request summary and ~~[may:]~~ the results of the Federalism Commission's review under Subsection (2)(c); and

~~[(i)]~~ (ii)

(A) recommend that the agency accept the new federal funds;

~~[(ii)]~~ (B) recommend that the agency not accept the new federal funds; or

~~[(iii)]~~ (C) recommend to the governor that the governor call a special session of the Legislature to review and approve or reject the acceptance of the new federal funds.

(3)

(a)

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(i) Before obligating the state to accept or receive new federal funds or to participate in a new federal program under a high impact federal funds request that was not authorized during a legislative session as provided in Section 63J-5-201, an agency shall:

(A) submit the federal funds request summary to the governor, the Judicial Council, or the State Board of Education, [-]as appropriate, for approval or rejection; and

(B) if the governor, the Judicial Council, or the State Board of Education approves the new federal funds request, submit the federal funds request summary to the Legislature for its approval or rejection in an annual general session or a special session.

(ii) Except as provided in Subsection (3)(a)(iii), the procedures required under Subsection (3)(a)(i) shall be performed, if possible, before the date that the high impact funds request is formally submitted, but not later than three months after the date of formal submission.

(iii) For a high impact federal funds request for the Medical Assistance Program, commonly known as Medicaid, or the Children's Health Insurance Program, the procedures required under Subsection (3)(a)(i) shall be performed, if possible, before the date that the high impact funds request is formally submitted, but not later than the end of the earlier of the next annual general session or special session of the Legislature after the date of formal submission.

(b)

(i) If the Legislature approves the new federal funds request, the agency may accept the new federal funds or participate in the new federal program.

(ii) If the Legislature fails to approve the new federal funds request, the agency may not accept the new federal funds or participate in the new federal program.

(4) If an agency fails to comply with the procedures of this section or fails to obtain the Legislature's approval:

(a) the governor, the Judicial Council, or the State Board of Education, as appropriate, may require the agency to withdraw the new federal funds request or refuse or return the new federal funds;

(b) the Legislature may, if federal law allows, opt out or decline to participate in the new federal program or decline to receive the new federal funds; or

(c) the Legislature may reduce the agency's General Fund appropriation in an amount less than, equal to, or greater than the amount of federal funds received by the agency.

(5) If a letter or other official documentation awarding an agency a grant of federal funds is not available to be included in the agency's federal funds request summary to the governor, the Judicial

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Council, or the State Board of Education, as appropriate, under this section, the agency shall submit to the governor, the Judicial Council, or the State Board of Education, as appropriate, the letter or other official documentation awarding the agency a grant of federal funds before expending the federal funds granted.

Section 4. **FY 2027 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for fiscal year 2027.

Subsection 4(a). **Operating and Capital Budgets**

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

ITEM 1 To Utah State University - Education and General

From Income Tax Fund	{ 500,000 }	<u>150,000</u>
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From Income Tax Fund, One-time		150,000
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Schedule of Programs:

Public Service	{ 650,000 }	<u>300,000</u>
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The Legislature intends that the Analytics Solutions Center at the Utah State University Jon M. Huntsman School of Business use the appropriations provided under this item to fulfill the requirements of Utah Code Section 53H-3-317.

Section 5. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

2-6-26 2:58 PM