

Calvin Roberts proposes the following substitute bill:

1 **Federal Funds Modifications**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: John D. Johnson

3 **LONG TITLE**

4 **General Description:**

5 This bill modifies provisions related to federal funds.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ directs the legislative fiscal analyst to submit to the Federalism Commission
9 (commission) the portions of each budget stress test that relate to federal funds;
- 10 ▶ requires the commission to review and, in the commission's discretion, make legislative
11 recommendations regarding the federal funds portions of each budget stress test;
- 12 ▶ requires the Utah State University Jon M. Huntsman School of Business to:
 - 13 • create and maintain a publicly available dashboard that visualizes state dependency on
14 federal funds; and
 - 15 • model economic scenarios to inform federal funds contingency planning; and
 - 16 ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

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25 **63C-4a-303 (Effective 05/06/26) (Repealed 07/01/28)**, as last amended by Laws of Utah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

27 **ENACTS:**

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

29
30 *Be it enacted by the Legislature of the state of Utah:*

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

32 **36-12-13 (Effective 05/06/26). Office of the Legislative Fiscal Analyst established**

33 **-- Powers, functions, and duties -- Qualifications.**

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

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

38 (a)(i) to estimate general revenue collections, including comparisons of:
39 (A) current estimates for each major tax type to long-term trends for that tax type;
40 (B) current estimates for federal fund receipts to long-term federal fund trends; and
41 (C) current estimates for tax collections and federal fund receipts to long-term
42 trends deflated for the inflationary effects of debt monetization; and

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

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

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

52 (A) continue at its current level of expenditure;
53 (B) continue at a different level of expenditure; or
54 (C) be terminated; and

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

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

58 (i) potential state government revenue impacts;
59 (ii) anticipated state government expenditure changes;
60 (iii) anticipated expenditure changes for county, municipal, special district, or special
61 service district governments;
62 (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;
- (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).

(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

131 experience.

132 [4] (5) In carrying out the duties provided for in this section, the legislative fiscal analyst
133 may obtain access to all records, documents, and reports necessary to the scope of the
134 legislative fiscal analyst's duties according to the procedures contained in Title 36,
135 Chapter 14, Legislative Subpoena Powers.

136 [5] (6) The Office of the Legislative Fiscal Analyst shall provide any information the State
137 Board of Education reports in accordance with Subsection 53E-3-507(7) to:
138 (a) the chief sponsor of the proposed bill; and
139 (b) upon request, any legislator.

140 Section 2. Section **53H-4-317** is enacted to read:

141 **53H-4-317 (Effective 05/06/26). Federal funds contingency planning dashboard.**

142 (1) As used in this section:

143 (a) "Center" means the Analytics Solutions Center at the Utah State University Jon M.
144 Huntsman School of Business.
145 (b) "Federalism Commission" means the Federalism Commission created in Section
146 63C-4a-302.

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

149 (a) create and maintain a digital dashboard that visualizes the risk of federal funds
150 reductions and the state's dependency on federal funds;
151 (b) ensure that the dashboard is publicly available, user-friendly, and dynamic;
152 (c) identify, curate, clean, and securely warehouse funding data relevant to creating and
153 maintaining the dashboard;
154 (d) continuously monitor and update the dashboard's data and functionality to ensure
155 accuracy and compliance with this section;
156 (e) model economic scenarios to help the state plan for potential reductions in federal
157 funds; and
158 (f) upon request, report to the Federalism Commission regarding the duties described in
159 this section.

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

161 **63C-4a-303 (Effective 05/06/26) (Repealed 07/01/28). Federalism Commission
162 duties -- Evaluation of federal law -- Curriculum on federalism -- Environment
163 discussions -- Oversight of Center for Constitutional Studies in relation to center's
164 federalism duties -- Review of federal funds portion of budget stress test.**

165 (1)(a) In accordance with Section 63C-4a-304, the commission may evaluate a federal
166 law:
167 (i) as agreed by a majority of the commission;
168 (ii) submitted to the commission by a council member; or
169 (iii) reported to the commission in accordance with Subsection (1)(b).
170 (b)(i) To assist the commission in the evaluation of federal law as required in this
171 section and Section 63C-4a-304, the commission may contract with a third party
172 that is a Utah institution of higher education to monitor federal law for possible
173 implications on the principles of federalism.
174 (ii) A third party contracted to monitor federal law as described in Subsection (1)(b)(i)
175 shall:
176 (A) monitor federal law for possible implications on the principles of federalism
177 and state sovereignty; and
178 (B) report to the commission any law or action by the federal government that
179 may implicate the principles of federalism or state sovereignty.
180 (c)(i) As used in this Subsection (1)(c), "interim committee" means the same as that
181 term is defined in Section 36-12-1.
182 (ii) The commission shall provide an annual report to each interim committee
183 concerning any law or action by the federal government that implicates the
184 principles of federalism or state sovereignty.
185 (iii) The commission may notify the appropriate interim committee of any law or
186 action by the federal government that implicates the principles of federalism or
187 state sovereignty.
188 (2) The commission may request information regarding a federal law under evaluation from
189 a United States senator or representative elected from the state.
190 (3) If the commission finds that a federal law is not authorized by the United States
191 Constitution or violates the principle of federalism as described in Subsection
192 63C-4a-304(2), a commission cochair or the commission may:
193 (a) request from a United States senator or representative elected from the state:
194 (i) information about the federal law; or
195 (ii) assistance in communicating with a federal governmental entity regarding the
196 federal law;
197 (b)(i) give written notice of an evaluation made under Subsection (1) to the federal
198 governmental entity responsible for adopting or administering the federal law; and

- (ii) request a response by a specific date to the evaluation from the federal governmental entity;
- (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
- (d) give written notice of an evaluation and the conclusions of the commission to any other relevant entity.

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.

5) A commission cochair may coordinate the evaluation of and response to federal law with another state as provided in Section 63C-4a-305.

6) The commission shall keep a current list on the Legislature's website of:

- (a) a federal law that the commission evaluates under Subsection (1);
- (b) an action taken by a cochair of the commission or the commission under Subsection (3);
- (c) any coordination undertaken with another state under Section 63C-4a-305; and
- (d) any response received from a federal government entity that was requested under Subsection (3).

7)(a) The commission shall develop curriculum for a seminar on the principles of federalism.

(b) The curriculum under Subsection (7)(a) shall be available to the general public and include:

- (i) fundamental principles of federalism;
- (ii) the sovereignty, supremacy, and jurisdiction of the individual states, including their police powers;
- (iii) the history and practical implementation of the Tenth Amendment to the United States Constitution;
- (iv) the authority and limits on the authority of the federal government as found in the United States Constitution;
- (v) the relationship between the state and federal governments;
- (vi) methods of evaluating a federal law in the context of the principles of federalism;
- (vii) how and when challenges should be made to a federal law or regulation on the

233 basis of federalism;

234 (viii) the separate and independent powers of the state that serve as a check on the

235 federal government;

236 (ix) first amendment rights and freedoms contained therein; and

237 (x) any other issues relating to federalism the commission considers necessary.

238 (8) The commission may apply for and receive grants, and receive private donations to

239 assist in funding the creation, enhancement, and dissemination of the curriculum.

240 (9) The commission shall submit a report on or before November 30 of each year to the

241 Government Operations Interim Committee and the Natural Resources, Agriculture, and

242 Environment Interim Committee that:

243 (a) describes any action taken by the commission under Section [63C-4a-303]

244 63C-4a-304; and

245 (b) includes any proposed legislation the commission recommends.

246 (10) The commission shall comply with Section 19-1-110 in discussions with the

247 Department of Environmental Quality on issues related to the environment or the

248 functioning of the Department of Environmental Quality.

249 (11) The commission shall:

250 (a) coordinate with and make recommendations to the center concerning the center's

251 federalism-related duties under Section 53H-4-703, including:

252 (i) the development of the federalism education and training program under

253 Subsection 53H-4-703(1); and

254 (ii) the scope and objectives of:

255 (A) the annual federalism conference organized under Subsection 53H-4-703(2);

256 (B) the study conducted under Subsection 53H-4-703(3); and

257 (C) the center's coordination efforts under Subsection 53H-4-703(4);

258 (b) coordinate with and make recommendations to the institute regarding the institute's

259 federalism-related duties under Section 53H-4-704; and

260 (c) report annually to the Legislative Management Committee regarding:

261 (i) the center's progress in fulfilling the requirements of Section 53H-4-703; and

262 (ii) the institute's progress in fulfilling the requirements of Section 53H-4-704.

263 (12) Each executive branch agency shall, at the request of the commission, designate a

264 contact person to coordinate with the commission regarding the federalism education

265 and training program developed under Section 53H-4-703 for purposes of:

266 (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. 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 150,000

From Income Tax Fund, One-time 150,000

Schedule of Programs:

300,000

The Legislature intends that the Analytics

Solutions Center a

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.

This bill takes effect on May 6, 2026.