

Calvin Roberts proposes the following substitute bill:

Federal Funds Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: John D. Johnson

LONG TITLE

General Description:

This bill modifies provisions related to federal funds.

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

This bill appropriates \$300,000 in operating and capital budgets for fiscal year 2027, all of which is from the Income Tax Fund.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

63C-4a-303 (Effective 05/06/26) (Repealed 07/01/28), as last amended by Laws of Utah 2025, First Special Session, Chapter 9

ENACTS:

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

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

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

36-12-13 (Effective 05/06/26). 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;
 - (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:

- 97 (i) debt;
98 (ii) long-term liabilities;
99 (iii) contingent liabilities;
100 (iv) General Fund borrowing;
101 (v) reserves;
102 (vi) fund and nonlapsing balances; and
103 (vii) cash funded capital investments;
- 104 (i) to make recommendations for addressing the items described in Subsection (2)(h) in
105 the upcoming annual general session of the Legislature;
106 (j) to prepare, after each session of the Legislature, a summary showing the effect of the
107 final legislative program on the financial condition of the state;
108 (k) to conduct organizational and management improvement studies in accordance with
109 Title 63J, Chapter 1, Part 9, Government Performance Reporting and Efficiency
110 Process, and legislative rule;
111 (l) to prepare and deliver upon request of any interim committee or the Legislative
112 Management Committee, reports on the finances of the state and on anticipated or
113 proposed requests for appropriations;
114 (m) to recommend areas for research studies by the executive department or the interim
115 committees;
116 (n) to appoint and develop a professional staff within budget limitations;
117 (o) to prepare and submit the annual budget request for the office;
118 (p) to develop a taxpayer receipt:
119 (i) available to taxpayers through a website; and
120 (ii) that allows a taxpayer to view on the website an estimate of how the taxpayer's
121 tax dollars are expended for government purposes; and
122 (q) to publish or provide other information on taxation and government expenditures that
123 may be accessed by the public.
- 124 (3)(a) Except as provided in Subsection (3)(b), the legislative fiscal analyst shall submit
125 to the Executive Appropriations Committee the results of the budget stress test
126 described in Subsection (2)(e)(iii).
- 127 (b) The legislative fiscal analyst shall submit to the Federalism Commission the portions
128 of the results of the budget stress test that relate to federal funds.
- 129 ~~[(3)]~~ (4) The legislative fiscal analyst shall have a master's degree in public administration,
130 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 **53H-4-317** is enacted to read:

53H-4-317 (Effective 05/06/26). 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:

63C-4a-303 (Effective 05/06/26) (Repealed 07/01/28). 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
 - (ii) assistance in communicating with a federal governmental entity regarding the federal law;
 - (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

- 199 (ii) request a response by a specific date to the evaluation from the federal
200 governmental entity;
- 201 (c) request a meeting, conducted in person or by electronic means, with the federal
202 governmental entity, a representative from another state, or a United States Senator
203 or Representative elected from the state to discuss the evaluation of federal law and
204 any possible remedy; or
- 205 (d) give written notice of an evaluation and the conclusions of the commission to any
206 other relevant entity.
- 207 (4) The commission may recommend to the governor that the governor call a special
208 session of the Legislature to give the Legislature an opportunity to respond to the
209 commission's evaluation of a federal law.
- 210 (5) A commission cochair may coordinate the evaluation of and response to federal law
211 with another state as provided in Section 63C-4a-305.
- 212 (6) The commission shall keep a current list on the Legislature's website of:
- 213 (a) a federal law that the commission evaluates under Subsection (1);
- 214 (b) an action taken by a cochair of the commission or the commission under Subsection
215 (3);
- 216 (c) any coordination undertaken with another state under Section 63C-4a-305; and
- 217 (d) any response received from a federal government entity that was requested under
218 Subsection (3).
- 219 (7)(a) The commission shall develop curriculum for a seminar on the principles of
220 federalism.
- 221 (b) The curriculum under Subsection (7)(a) shall be available to the general public and
222 include:
- 223 (i) fundamental principles of federalism;
- 224 (ii) the sovereignty, supremacy, and jurisdiction of the individual states, including
225 their police powers;
- 226 (iii) the history and practical implementation of the Tenth Amendment to the United
227 States Constitution;
- 228 (iv) the authority and limits on the authority of the federal government as found in the
229 United States Constitution;
- 230 (v) the relationship between the state and federal governments;
- 231 (vi) methods of evaluating a federal law in the context of the principles of federalism;
- 232 (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:

Public Service	300,000
----------------	---------

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.**

This bill takes effect on May 6, 2026.