

OFFICE OF THE
LEGISLATIVE
FISCAL
ANALYST

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MEMORANDUM FOR EXECUTIVE APPROPRIATIONS COMMITTEE

FROM: Gary Syphus, Analyst
DATE: May 10, 2016
SUBJECT: Federal Funds Procedures Update

House Bill 329, "Federal Funds Procedures Act Amendments" passed in the 2016 General Session makes changes to the federal funds review process and approval requirements. This bill makes the following changes:

1. Provides that the State Board of Education (SBOE) is explicitly subject to the review and approval requirements for federal funds equivalent to executive branch entities and judicial branch entities;
2. Provides that a Federal Funds Request Summary (FFRS) includes the letter awarding an agency a grant of federal funds or other official documentation awarding an agency a grant of federal funds;
3. Provides that if the applicable documentation is not included in the (FFRS), it shall be submitted to the relevant entity [Governor's Office of Management and Budget (GOMB), Judicial Council or SBOE] before expending a federal funds grant;
4. Provides that federal funds passed through Utah State Office of Education (USOE) to a local education authority (LEA) or other sub-recipient are now subject to approval; and
5. Specifies procedures for the State Board of Education to approve certain new federal funds requests.

Since the start of the interim, our office has been in discussions with GOMB, USOE and the Administrative Office of the Courts (AOC) on implementing the requirement of including the award letter along with FFRS. After discussions, we understand that when agencies submit the FFRS, in most cases agencies will not have received the award letter for the corresponding grants - they typically will receive these award letters some time after. In these cases where agencies do not have the relevant documentation at the time of submission of the FFRS, agencies are required to submit these to GOMB, SBOE, and the Judicial Council only as mentioned above (see bullet #3). However, after discussions with GOMB, SBOE and the Judicial Council, these entities will submit all award documentation at a yet-to-be determined date in the fall for all awards up to that point.

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