



Fiscal Note
H.B. 393 3rd Sub. (Cherry)
 2024 General Session
 Services for People with Disabilities
 by Dailey-Provost, J. (Dailey-Provost,
 Jennifer.)



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$(1,700)	\$(800)	\$(2,500)

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2024	FY 2025	FY 2026
Income Tax Fund, One-time	\$0	\$5,000,000	\$0
Medicaid Expansion Fund	\$0	\$0	\$(59,861,100)
New Account Created By Bill (FN Only)	\$0	\$15,000,000	\$54,861,100
Total Revenues	\$0	\$20,000,000	\$(5,000,000)

Enactment of this legislation would divert via the General Fund \$5 million ongoing and \$54,861,100 one-time beginning in FY 2026 from the Medicaid Expansion Fund to the Services for People with Disabilities Perpetual Trust Fund created by this bill. The bill reduces deposits from the General Fund to the Medicaid Expansion Fund by another \$5 million ongoing beginning in FY 2026. The bill also deposits \$15,000,000 one-time in FY 2025 from interest earned on American Rescue Plan Act grants to the Services for People with Disabilities Perpetual Trust Fund. Further, the bill would transfer \$5,000,000 one-time interest earnings on ARPA into the Income Tax Fund in FY 2025.

Enactment of this bill would also allocate 5% of General Fund revenue surplus to the Services for People with Disabilities Perpetual Trust Fund in Fiscal Years 2024 and 2025 after making deposits to the rainy day funds, disaster recovery funds, and fire suppression fund, however the amount of any future surplus is unknown.

Beginning in FY 2027, the Trust Fund would accumulate investment earnings, all of which would remain in the fund until the balance reaches \$400,000,000. Assuming a 5% return on the roughly \$70,000,000 balance at the end of FY 2027, this could generate \$3,500,000 in investment earnings per year beginning in FY 2028.

Expenditures	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$1,700	\$1,700
General Fund, One-time	\$0	\$800	\$49,861,100
Income Tax Fund, One-time	\$0	\$5,000,000	\$0
ARPA Administrative Fund	\$0	\$20,000,000	\$0
Medicaid Expansion Fund	\$0	\$0	\$(49,861,100)
Total Expenditures	\$0	\$25,002,500	\$1,700

Enactment of this legislation would reduce General Fund appropriations to the Medicaid Expansion Fund by \$54,861,100 ongoing in FY 2025 offset by a one-time addback and deposit the amounts into the permanent trust fund created in this legislation. The ongoing appropriation would end after one year in FY 2026. The bill would further transfer \$5,000,000 from the ARPA Administrative Account to the Income Tax Fund one-time in FY 2025, and then transfer \$15,000,000 into the permanent trust fund created in this legislation.

This bill could cost the Department of Health and Human Services \$5,000,000 one-time from the Income Tax Fund in FY 2025 and \$5,000,000 ongoing from the General Fund beginning in FY 2026 to provide Community Support Waiver Services. Future expenditures from the new trust fund created by this account would depend on the account's investment earnings. Assuming a 5 percent annual return on \$70,000,000 balance at the end of FY 2026, this could generate \$3,500,000 in investment earnings per year beginning in FY 2028.

Enactment of the legislation could cost the Department of Government Operations \$800 one-time in FY 2025, and \$1,700 ongoing beginning in FY 2025 for personnel costs to manage the trust fund.

	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>
Net All Funds	<u>\$0</u>	<u>\$(5,002,500)</u>	<u>\$(5,001,700)</u>

Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct expenditures from tax or fee changes for Utah residents and businesses.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill creates a new program or significantly expands an existing program. For a list of questions lawmakers might ask to improve accountability for the proposed program, please see:

<https://budget.utah.gov/newprogram>

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.