

Federal Fund Issues

April 23, 2002

**A Report to the Executive Appropriations Committee
Of the Utah State Legislature**

**Prepared by
Office of the Legislative Fiscal Analyst**

Spencer Pratt, Senior Fiscal Analyst

Overview

The FY 2003 state budget includes \$1,722,264,000 of federal funds anticipated for services delivered by state agencies. This represents almost 23 percent of the total \$7.6 billion state appropriation.

The Legislature passed legislation to respond to opportunities for additional federal funds when it is not in session. The statute (UCA 63-40-4) reads as follows:

All applications made by agencies of the state for federal assistance program funds, with the exception of the State Board of Education, university, and college research grants, shall be approved by the governor prior to their submission to the federal authorities. The governor may not approve any applications submitted between legislative sessions if the Legislature has indicated an intent to reject the program requested. If a federal assistance program is approved and accepted between legislative sessions, the governor may authorize the state agency designated to receive the funds to expend such funds from the date they become available until June 30 following the next annual general session of the Legislature, subject to the following limitations:

- (a) the expenditure is consistent with state law and with the terms of the grants; and*
- (b) the program does not commit the Legislature for matching funds for future years unless the program has first been approved by the Legislature in an appropriations act.*

Any application for a federal assistance program approved between legislative sessions and every grant or program awarded by the federal government shall be reported to the Legislature through the Executive Appropriations Committee and by notifying the Office of Legislative Fiscal Analyst and the Office of Legislative Research and General Counsel through their directors.

Any state agency that participates in any federal assistance program shall make such reports regarding it as the federal assistance management officer, the Executive Appropriations Committee, or the Office of Legislative Fiscal Analyst requires.

Unless specifically exempted from this chapter, in any fiscal year in which federal grants to be received by state agencies, departments, divisions, or institutions are reduced below the level estimated in the appropriations acts for that year, the programs supported by those grants must be reduced commensurate with the amount of the federal reduction unless the Legislature appropriates state funds to offset the loss in federal funding.

This program modification shall be reported to the Legislature through the Executive Appropriations Committee and the Office of Legislative Fiscal Analyst.

The Executive Appropriations Committee may:

- (1) review, as detailed by program and by governmental agency, any federal assistance program in which the state currently participates or in which the federal assistance management officer recommends the state's participation; and*
- (2) at least annually, arrange a joint meeting of the committee in which all members of the state's congressional delegation are invited to attend and discuss issues relating to federal mandates and the appropriate or inappropriate use of federal power to influence state policy.*

**Review by
Governor's Office**

The level of federal funds in the appropriation act reflects what the agencies anticipate for upcoming fiscal year. However, the actual level may differ from the appropriated amount due to (1) some of the anticipated funding not materializing, and (2) the opportunity for additional federal funds due to new grants and new programs, which occur throughout the year. Years ago, agencies would apply for new grants with little or no State oversight. However, now agencies must submit a request to the Governor's Office of Planning and Budget prior to applying for new grants. This ongoing oversight authority was given to the Governor's Office by the Legislature so that agencies could take advantage of these opportunities during the year when the Legislature was not in session. These grants then become part of the budget that is reviewed during the following session.

In response to the requirement listed above, the Governor's Office of Planning and Budget requires a report from all agencies prior to applying for a federal grant. A sample of this report is included in Appendix I.

The report is designed to address the concerns of the Legislature dealing with (1) the program's funding after the federal funding is no longer available, and (2) the number of FTE positions that the grant will add to the agency. The Legislature is very concerned that programs get started with federal funds, hire new employees, and then when the grant expires, state funds are requested to maintain the program and FTEs.

**Report to Executive
Appropriations
Committee**

Over the past several years, the Office of the Legislative Fiscal Analyst has periodically reported to the Executive Appropriations Committee the federal grants for which state agencies are applying. This reporting has been on an ongoing basis, to keep the Legislature, through the Executive Appropriations informed as to the status of federal funds throughout the year.

**Report to
Appropriations
Subcommittees**

During the Legislative Sessions, the analysts for each appropriations subcommittee present a three-year history of federal grants utilized as part of the plan of financing for each line item. This information helps the legislators understand how the federal grants increase or decrease over the three-year time frame and also encourages a discussion of the usage of federal funds in the agency.

Review by State Auditor

In addition to the oversight provided by the Governor’s Office, the State Auditor annually performs a compliance audit of all federal funds expended to determine whether the funds were spent in accordance with federal laws and regulations, as required by federal audit standards.

The following table lists only the federal fund appropriations by subcommittee. The one exception is the Department of Human Services and Health, which are listed separately.

State of Utah Appropriations Comparison FEDERAL FUNDS ONLY						
Subcommittee/Agency	FY 2001 Actual	FY 2002 Estimated	FY 2002 Supplemental	FY 2002 Revised	FY 2003 Appropriated	Percent Difference
Executive Offices & Criminal Justice	38,372,900	55,490,700	647,400	56,138,100	40,443,400	-27.96%
Capital Facilities & Administrative Services	1,170,000	47,600		47,600	7,877,800	16450.00%
Commerce & Revenue	174,148,100	195,384,700	3,439,800	198,824,500	198,800,000	-0.01%
Economic Development & Human Resources	35,072,200	36,642,800	(1,511,500)	35,131,300	37,142,700	5.73%
Health & Human Services - Department of Health	711,888,902	767,493,900	(5,686,315)	761,807,585	822,138,600	7.92%
Health & Human Services - Department of Human Services	103,601,347	117,411,400	(2,433,000)	114,978,400	114,360,000	-0.54%
Higher Education - Medical Education	401,200	440,000		440,000	440,000	0.00%
Higher Education	4,502,700	4,619,700		4,619,700	4,619,700	0.00%
Higher Education - Utah Education Network	3,346,800	3,318,700		3,318,700	3,363,600	1.35%
Natural Resources	24,250,400	21,695,700	1,860,600	23,556,300	25,512,600	8.30%
Public Education	235,910,100	236,827,100	(9,700)	236,817,400	236,728,900	-0.04%
Transportation & Environmental Quality	314,723,200	235,434,800	(5,400)	235,429,400	230,836,600	-1.95%
Total	\$1,647,387,849	\$1,674,807,100	(\$3,698,115)	\$1,671,108,985	\$1,722,263,900	3.06%

New Federal Grant Applications

The list of federal grant applications that have been submitted since the 2002 Legislative Session ended are included in Appendix II.

Interim Legislative Authority

During the past session, there was some discussion that too much authority had been delegated to the executive branch relative to new federal grants. Some of the budget documents showed that the “estimated” level of federal funds was significantly higher than the amount appropriated by the Legislature during the 2001 session. There were discussions that the Legislature should rescind the authority it has given to the executive branch in allowing new federal funds. A change to current statute would be required to take this authority back. If Legislative authorization were required for all federal grants, this authorization could only take place during a General Session or during a Special Session.

Summary

Because federal funds play such a significant part of the plan of financing for the state budget, it is important for both legislators and the staff of the Analyst’s office to know which grants are being considered, when those grants will affect the budget, and future implications in accepting those grants.

The Analyst has tried to provide such information to the Legislature and will continue to provide whatever information that the Legislature feels is most useful.

The Analyst recommends that the Executive Appropriations Committee continue to hear the periodic update of new federal grants and continue to have the Governor's Office of Planning and Budget authorize agencies in their applications. The Analyst's office welcomes suggestions on how reports can be improved to address any concerns.

APPLICATION FOR FEDERAL ASSISTANCE

2. DATE SUBMITTED January 11, 2002	Applicant Identifier
3. DATE RECEIVED BY STATE NA	State Application Identifier UTG DAD11-010
4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

1. TYPE OF SUBMISSION

Application

Construction

Non-Construction

Preapplication

Construction

Non-Construction

5. APPLICANT INFORMATION

Legal Name: Utah Commission on Criminal and Juvenile Justice	Organizational Unit: Utah Commission on Criminal and Juvenile Justice
Address (give city, county, state, and zip code): 101 State Capitol Bldg. Salt Lake City, Utah 84114	Name and telephone number of the person to be contacted on matters involving this application (give area code): Richard Ziebarth (801) 538-1812

6. EMPLOYER IDENTIFICATION NUMBER (EIN):

87-6001545

7. TYPE OF APPLICANT: (enter appropriate letter in box)

A. State	H. Independent School Dist.	<input type="checkbox"/>
B. County	I. State Controlled Institution of Higher Learning	<input type="checkbox"/>
C. Municipal	J. Private University	
D. Township	K. Indian Tribe	
E. Interstate	L. Individual	
F. Intermunicipal	M. Profit Organization	
G. Special District	N. Other (specify) _____	

8. TYPE OF APPLICATION:

New Continuation Revision

If Revision, enter appropriate letter(s) in Box(es)

A. Increase Award B. Decrease Award C. Increase Duration
D. Decrease Duration Other (specify): _____

9. NAME OF FEDERAL AGENCY:
Department of Justice, Bureau of Justice Statistics

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:
16-579

TITLE: **State and Local Narcotics Control Assistance**

11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:
Utah's 2002 Drug and Violent Crime Enforcement Control Plan (Byrne Grant)

12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.)

Utah Statewide

13. PROPOSED PROJECT:		14. CONGRESSIONAL DISTRICTS OF	
Start Date 7/01/02	Ending Date 09/30/04	a. Applicant Second District	b. Project Statewide

15. ESTIMATED FUNDING:

a. Federal:	\$ 4,519,986
b. Applicant	\$ 0 .00
c. State	\$ 588,304
d. Local	\$ 918,359 .00
e. Other	\$ 0 .00
f. Program Income	\$ 0 .00
g. TOTAL	\$ 6,026,649

16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?

a. YES, THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:

DATE **January 11, 2002**

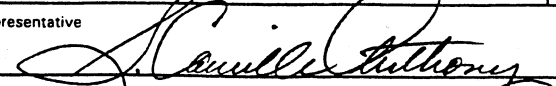
b. No. PROGRAM IS NOT COVERED BY E.O. 12372
 OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?

Yes If "Yes," attach an explanation. No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED

a. Typed Name of Authorized Representative S. Camille Anthony	b. Title Executive Director, Utah Commission on Criminal and Juvenile Justice	c. Telephone number (801)538-1031
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d. Signature of Authorized Representative 	e. Date signed 1/11/02
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Federal Assistance Application State of Utah Budget Impact Form

Complete this form if 1) the estimated state funds match requirement is greater than \$100,000 or 2) the federal funding of the program is scheduled to decline and/or cease with the expectation that state funding will replace federal funding of the program.

1. Department: CCJJ	Contact: Richard Ziebarth	Date: 1/11/02
Division/Program:	Email: rzebarth@utah.gov	Phone: (801) 538-1812

2. Type of Grant: <input type="checkbox"/> New <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Revision	3. Grant Title, Federal Agency, Description, Purpose: Utah 2002 Drug and Violent Crime Enforcement Control Plan (Byrne Grant)
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4. Local Pass Through

Does this grant provide pass through to local government? Yes No %_57_____

5. Required Match

Does this grant require a state match? Yes No

A. If yes, from what sources: State funds In-Kind Local Other
(Check all that apply)

B. If state funds, how much: \$_588,304_____

C. Source of state funds:

Existing base budget
(No increase in state funds needed) \$_588,304_____

Budget Enhancement
(Will require additional state funds) \$_0_____

Other _____
 (Specify other sources) \$ _____

-- Continued --

6. Maintenance of Effort Requirements
 (Describe any maintenance of effort requirements associated with grant.)

7. Estimated Expenditures	Estimated Federal Funds	Estimated State Funds	Estimated Other Funds
State Fiscal Year 1 (Specify FY) ___ 2002	\$ 4,519,986	\$ 588,304	\$ 918,359
State Fiscal Year 2 (Specify FY) _____	\$	\$	\$
State Fiscal Year 3 (Specify FY) _____	\$	\$	\$
State Fiscal Year 4 (Specify FY) _____	\$	\$	\$
State Fiscal Year ... (Specify FY) _____	\$	\$	\$
Totals	\$ 4,519,986	\$ 588,304 (should equal section 5.B.)	\$ 918,359

8. Staffing Requirements

Does this program require the hiring of additional staff? Yes No

A. If yes, how many FTE _____

9. Expectation When Federal Funds Decline/Expire

Will additional state funding be required to maintain or continue this program or its infrastructure when this grant expires or is reduced? Yes No

10. State Policy Requirements

Are there conditions attached to the grant that could influence state policy? Yes No

Appendix II

Department	Grant Title	Federal Agency	Federal Award Amount	Match Requirement	Continued Funding	Add'l Staff Requirements	Comments
Commission on Criminal and Juvenile Justice	Utah's 2002 Drug and Violent Crime Enforcement Control Plan	Dept. of Justice	\$4,519,986	\$588,304 State \$918,359 Local	Renewal; no state funding required when grant expires	None	
Commission on Criminal and Juvenile Justice	Utah's 2002 Criminal History Record Improvement Plan	Dept. of Justice	\$475,600	\$52,981 State (will use existing base budget)	No state funding required when grant expires	4.7 FTE	
Public Safety	Strategic Enhancements for Security for the Salt Lake City 2002 Olympic Winter Games	Dept. of Justice	\$4,400,000	None	No state funding required when grant expires	10 FTE 12/1/01 - 4/15/02	
Public Safety	Strategic Enhancements for Security for the Salt Lake City 2002 Olympic Winter Games	Dept. of Justice	\$12,700,000	None	No state funding required when grant expires	4.0 FTE	Overtime reimbursement for sworn and non-sworn personnel assigned to the Winter Games
Public Safety	Investigative Support Center/ Intelligence Initiative	Office of National Drug Control Policy	\$248,223 (2 year total)	None	DPS would request continuation funding from the Legislature	4.0 FTE	
Public Safety	Controlled Substances Interdiction Initiative	Office of National Drug Control Policy	\$633,744 (2 year total)	None	DPS would request continuation funding from the Legislature	5.0 FTE	

Department	Grant Title	Federal Agency	Federal Award Amount	Match Requirement	Continued Funding	Add'l Staff Requirements	Comments
Workforce Services	Work Incentive Grant Program	Dept. of Labor	\$991,338 (3 year total)	None	DWS would request continuation personnel funding from the Legislature	1.5 FTE	Enhance ability to serve people with disabilities
Community and Economic Development	Historic Preservation Fund	National Park Service	\$628,819	\$419,213 State	No state funding required when grant expires	None	
Health	Bioterrorism Hospital Preparedness Program	Health and Human Services	\$1,115,143	None	No state funding required when grant expires	None	
Health	Primary Care Office Cooperative Agreement	Health and Human Services	\$128,875	None	Renewal; no state funding required when grant expires	None	
Health	Comprehensive Cardiovascular Health Program	Health and Human Services	\$5,012,776 (4 year total)	\$1,002,552 State (will use existing base budget)	No state funding required when grant expires	1.0 FTE	
Health	State and Local Childhood Lead Poisoning Prevention Programs	Health and Human Services	\$186,917	None	Renewal; no state funding required when grant expires	None	
Health	Utah Genetics Implementation Project	Health and Human Services	\$1,134,038 (4 year total)	None	No state funding required when grant expires	4.0 FTE	

Department	Grant Title	Federal Agency	Federal Award Amount	Match Requirement	Continued Funding	Add'l Staff Requirements	Comments
Health	Oral Health Integrated Systems Development Grant	Health and Human Services	\$200,000 (4 year total)	None	No state funding required when grant expires	.75 FTE	
Health	LTC MC Initiative - Rural Health and Behavioural Health	Center for Health Care Strategies*	\$1,000,000 (3 year total)	\$1,000,000 Other	No state funding required when grant expires	1.0 FTE	
Human Services	Project RECONNECT	Health and Human Services	\$2,000,000 (5 year total)	None	No state funding required when grant expires	None	
Human Services	Utah Mental Health Data and Planning Enhancement Project	Health and Human Services	\$300,000 (4 year total)	\$50,000 State (will use existing base budget)	No state funding required when grant expires	None	
Human Services	Projects for Assistance in Transition from Homelessness	Health and Human Services	\$300,000	\$100,000 Local	No state funding required when grant expires	None	
Human Services	State Health Insurance Assistance Program	Health and Human Services	\$104,646	None	Renewal; no state funding required when grant expires	None	
Natural Resources	Coal Regulatory Grant	Office of Surface Mining, Reclamation, and Enforcement	\$1,847,198	\$237,676 State (will use existing base budget)	Renewal; no state funding required when grant expires	None	

Department	Grant Title	Federal Agency	Federal Award Amount	Match Requirement	Continued Funding	Add'l Staff Requirements	Comments
Natural Resources	2002 AML Simplified Grant	Office of Surface Mining, Reclamation, and Enforcement	\$1,736,309	None	Renewal; no state funding required when grant expires	None	
State Office of Education	Migrant and Seasonal Farmworkers Program	Education	\$850,000 (5 year total)	\$94,445 State (will use existing base budget)	Continuation funding from the Legislature will be requested	3.5 FTE	
Environmental Quality	National Environmental Information Exchange Network	Environmental Protection Agency	\$357,200	None	Continuation funding from the Legislature will be requested	None	
Environmental Quality	Nonpoint Source Pollution Control Projects/Activities	Environmental Protection Agency	\$1,646,900 (5 year total)	\$46,666 State \$1,051,267 Local	No state funding required when grant expires	None	
Environmental Quality	Performance Partnership Grant for State Environmental Programs	Environmental Protection Agency	\$1,253,026	\$471,272 State	No state funding required when grant expires	None	

