

Representative David Clark proposes the following substitute bill:

REVIEW AND APPROVAL OF GRANTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Clark

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill establishes a process for review and approval for certain grants that persons and corporations offer to a state agency.

Highlighted Provisions:

This bill:

- ▶ requires that the governor approve certain grants to executive branch agencies;
- ▶ requires the Judicial Council to approve certain grants to judicial branch agencies;
- ▶ requires that the Executive Appropriations Committee review and comment on certain grants;
- ▶ requires that the Legislature review and approve certain grants;
- ▶ establishes remedies if state agencies fail to obtain appropriate approvals; and
- ▶ makes technical corrections.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:



- 26 **63J-7-101**, Utah Code Annotated 1953
- 27 **63J-7-102**, Utah Code Annotated 1953
- 28 **63J-7-201**, Utah Code Annotated 1953
- 29 **63J-7-202**, Utah Code Annotated 1953
- 30 **63J-7-203**, Utah Code Annotated 1953



31
32 *Be it enacted by the Legislature of the state of Utah:*

33 Section 1. Section **63J-7-101** is enacted to read:

34 **CHAPTER 7. GRANTS FROM PERSONS AND CORPORATIONS**

35 **Part 1. General Provisions**

36 **63J-7-101. Definitions.**

37 (1) As used in this chapter:

38 (a) (i) "Agency" means a department, division, committee, commission, council, court,
39 or other administrative subunit of the state.

40 (ii) "Agency" includes executive branch entities and judicial branch entities.

41 (iii) "Agency" does not mean higher education institutions or political subdivisions.

42 (b) (i) "Grant" means cash or other monies donated to an agency by a grantor.

43 (ii) "Grant" includes a reauthorization of an existing grant.

44 (iii) "Grant" does not mean:

45 (A) monies appropriated to an agency by the Legislature;

46 (B) monies received from the United States government;

47 (C) monies legally required to be paid to the state; or

48 (D) monies legally required to be repaid by the state.

49 (c) "Grantor" means the individual, group of individuals, foundation, corporation, or
50 public or private organization making the grant.

51 (d) "Grant reauthorization" means the formal submission from an agency to the grantor
52 applying for reauthorization or seeking reauthorization of a grant.

53 (e) "Grant summary" means a document detailing:

54 (i) the amount of money that is being requested or is available to be received by the
55 agency from a grant;

56 (ii) the duration of the grant and provisions for its reauthorization or extension, if any;

- 57 (iii) the name of the grantor;
- 58 (iv) the purpose of the grant, including, in detail, any programs, resources, and
- 59 positions required to be funded by the grant;
- 60 (v) any requirements that the agency must meet as a condition to receive or participate
- 61 in the grant; and
- 62 (vi) the amount of state monies, if any, that will be required in order to obtain the grant.
- 63 (f) "New state monies" means monies, whether specifically appropriated by the
- 64 Legislature or not, that the grantor requires Utah to expend as a condition for receiving the
- 65 grant.
- 66 (g) "State" means the state of Utah and all of its agencies, and any administrative
- 67 subunits of those agencies.
- 68 (2) When this chapter describes an employee as a "permanent full-time employee" or a
- 69 "permanent part-time employee," it is not intended to, and may not be construed to, affect the
- 70 employee's status as an at-will employee.
- 71 Section 2. Section **63J-7-102** is enacted to read:
- 72 **63J-7-102. Scope and applicability of chapter.**
- 73 (1) Except as provided in Subsection (2), and except as otherwise provided by a statute
- 74 superseding provisions of this chapter by explicit reference to this chapter, the provisions of
- 75 this chapter apply to each agency and govern each grant received on or after May 5, 2008.
- 76 (2) This chapter does not govern:
- 77 (a) a grant deposited into a General Fund restricted account;
- 78 (b) a grant deposited into a Trust and Agency Fund as defined in Section 51-5-4;
- 79 (c) a grant deposited into an Enterprise Fund as defined in Section 51-5-4;
- 80 (d) a grant made to the state without a restriction or other designated purpose that is
- 81 deposited into the General Fund as free revenue;
- 82 (e) a grant made to the state that is restricted only to "education" and that is deposited
- 83 into the Education Fund or Uniform School Fund as free revenue;
- 84 (f) in-kind donations;
- 85 (g) a tax, fees, penalty, fine, surcharge, money judgment, or other monies due the state
- 86 when required by state law or application of state law;
- 87 (h) a contribution made under Title 59, Chapter 10, Part 13, Individual Income Tax

88 Contribution Act;

89 (i) a grant received by an agency from another agency or political subdivision;

90 (j) a grant to the Dairy Commission created in Title 4, Chapter 22, Dairy Promotion

91 Act;

92 (k) a grant to the Heber Valley Railroad Authority created in Title 9, Chapter 3, Part 3,
93 Heber Valley Historic Railroad Authority;

94 (l) a grant to the Utah Science Center Authority created in Title 9, Chapter 3, Part 4,
95 Utah Science Center Authority;

96 (m) a grant to the Utah Housing Corporation created in Title 9, Chapter 4, Part 9, Utah
97 Housing Corporation Act;

98 (n) a grant to the Utah State Fair Corporation created in Title 9, Chapter 4, Part 11,
99 Utah State Fair Corporation Act;

100 (o) a grant to the Workers' Compensation Fund created in Title 31A, Chapter 33,
101 Workers' Compensation Fund;

102 (p) a grant to the Utah State Retirement Office created in Title 49, Chapter 11, Utah
103 State Retirement Systems Administration;

104 (q) a grant to the School and Institutional Trust Lands Administration created in Title
105 53C, Chapter 1, Part 2, School and Institutional Trust Lands Administration;

106 (r) a grant to the Utah Communications Agency Network created in Title 63C, Chapter
107 7, Utah Communications Agency Network Act;

108 (s) a grant to the Medical Education Program created in Section 63C-8-102;

109 (t) a grant to the Utah Capital Investment Corporation created in Title 63, Chapter 38f,
110 Part 12, Utah Venture Capital Enhancement Act;

111 (y) a grant to the State Charter School Finance Authority created in Section
112 53A-20b-103;

113 (v) a grant to the State Building Ownership Authority created in Section 63B-1-304;

114 (w) a grant to the Utah Comprehensive Health Insurance Pool created in Section
115 31A-29-104; or

116 (x) a grant to the Military Installation Development Authority created in Section
117 63H-1-201.

118 (3) An agency need not seek legislative review or approval of grants under Part 2,

119 Grant Approval Requirements, when:

120 (a) the governor has declared a state of emergency; and

121 (b) the grant is donated to the agency to assist disaster victims under Subsection
122 63-5a-3(2).

123 Section 3. Section **63J-7-201** is enacted to read:

124 **Part 2. Grant Approval Requirements**

125 **63J-7-201. Governor to approve certain grant requests.**

126 (1) (a) Before obligating the state to accept or receive a grant, an executive branch
127 agency shall submit a grant summary to the governor or the governor's designee for approval or
128 rejection when:

129 (i) the executive branch agency would receive a grant of at least \$10,000 but no more
130 than \$50,000 if the grant is approved;

131 (ii) receipt of the grant will require no additional permanent full-time employees,
132 permanent part-time employees, or combination of additional permanent full-time employees
133 and permanent part-time employees; and

134 (iii) no new state monies will be required to match the grant.

135 (b) The Governor's Office of Planning and Budget shall report each grant authorized
136 under this section to:

137 (i) the Legislature's Executive Appropriations Committee; and

138 (ii) the Office of the Legislative Fiscal Analyst.

139 (2) The governor or the governor's designee shall approve or reject each grant
140 submitted under the authority of this section.

141 (3) (a) If the governor or the governor's designee approves the grant, the executive
142 branch agency may accept the grant.

143 (b) If the governor or the governor's designee rejects the grant, the executive branch
144 agency may not accept the grant.

145 (4) If an executive branch agency fails to obtain the governor's or the governor's
146 designee's approval under this section, the governor may require the agency to return the grant.

147 Section 4. Section **63J-7-202** is enacted to read:

148 **63J-7-202. Judicial council to approve certain new grant requests.**

149 (1) (a) Before obligating the state to accept or receive a grant, a judicial branch agency

150 shall submit a grant summary to the Judicial Council for its approval or rejection when:

151 (i) the state would receive a grant of at least \$10,000 but no more than \$50,000 if the
152 grant is approved;

153 (ii) receipt of the grant will require no additional permanent full-time employees,
154 additional permanent part-time employees, or combination of additional permanent full-time
155 employees and permanent part-time employees; and

156 (iii) no new state monies will be required to match the grant.

157 (b) The Judicial Council shall report each grant authorized under this section to:

158 (i) the Legislature's Executive Appropriations Committee; and

159 (ii) the Office of the Legislative Fiscal Analyst.

160 (2) The Judicial Council shall approve or reject each grant submitted under the
161 authority of this section.

162 (3) (a) If the Judicial Council approves the grant, the judicial branch agency may accept
163 the grant.

164 (b) If the Judicial Council rejects the grant, the judicial branch agency may not accept
165 the grant.

166 (4) If a judicial branch agency fails to obtain the Judicial Council's approval under this
167 section, the Judicial Council may require the agency to return the grant.

168 Section 5. Section **63J-7-203** is enacted to read:

169 **63J-7-203. Legislative review and approval of certain new grant requests.**

170 (1) As used in this section:

171 (a) "High impact grant" means a grant that will or could:

172 (i) result in the state receiving total payments of \$1,000,000 or more per year from the
173 grantor;

174 (ii) require the state to add 11 or more permanent full-time employees, 11 or more
175 permanent part-time employees, or combination of permanent full-time employees and
176 permanent part-time employees equal to 11 or more in order to receive the grant; or

177 (iii) require the state to expend more than \$1,000,000 of new state monies in a fiscal
178 year in order to receive or administer the grant.

179 (b) "Medium impact grant" means a grant that will or could:

180 (i) result in the state receiving total payments of more than \$50,000 but less than

181 \$1,000,000 per year from the grantor;

182 (ii) require the state to add more than zero but less than 11 permanent full-time
183 employees, more than zero but less than 11 permanent part-time employees, or a combination
184 of permanent full-time employees and permanent part-time employees equal to more than zero
185 but less than 11 in order to receive or administer the grant; or

186 (iii) require the state to expend \$1 to \$1,000,000 of new state monies in a fiscal year in
187 order to receive or administer the grant.

188 (2) (a) Before obligating the state to accept or receive a medium impact grant, and,
189 where possible, before formally submitting a request for a medium impact grant to the grantor,
190 an agency shall:

191 (i) submit the grant summary to the governor or the Judicial Council, as appropriate,
192 for approval or rejection; and

193 (ii) if the governor or Judicial Council approves the grant, submit the grant summary to
194 the Legislative Executive Appropriations Committee for its review and recommendations.

195 (b) The Legislative Executive Appropriations Committee shall review the grant
196 summary and may:

197 (i) recommend that the agency accept the grant;

198 (ii) recommend that the agency not accept the grant; or

199 (iii) recommend to the governor that the governor call a special session of the
200 Legislature to review and approve or reject the acceptance of the grant.

201 (3) (a) Before obligating the state to accept or receive a high impact grant, and, where
202 possible, before formally submitting a request for a high impact grant to the grantor, an agency
203 shall:

204 (i) submit the grant summary to the governor or Judicial Council, as appropriate, for
205 approval or rejection; and

206 (ii) if the governor or Judicial Council approves the grant, submit the grant summary to
207 the Legislature for its approval or rejection in an annual general session or a special session.

208 (b) (i) If the Legislature approves the grant, the agency may accept the grant.

209 (ii) If the Legislature fails to approve the grant, the agency may not accept the grant.

210 (c) If an agency fails to obtain the Legislature's approval under this Subsection (3):

211 (i) the governor or Judicial Council, as appropriate, may require the agency to return

212 the grant;

213 (ii) the Legislature may direct the agency to return the grant to the grantor; or

214 (iii) the Legislature may reduce the agency's appropriation in an amount less than,

215 equal to, or greater than the amount of the grant received by the agency.

H.B. 319 2nd Sub. (Gray) - Review and Approval of Grants

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations. The bill will require additional reviews of grants received by state agencies. It is unknown how many grants will be reviewed; depending on actual workload the Governor's Office of Planning and Budget may need additional funds for personnel. High impact grants will require legislative approval prior to an agency obligating the state. The bill may cause a delay in accepting or receiving some non-routine grants, but in such cases would also delay incursion of costs.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.