

Representative Ken Ivory proposes the following substitute bill:

FEDERAL RECEIPTS REPORTING REQUIREMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This bill requires the reporting of federal receipts received by certain state agencies, requires the report to contain a plan to operate the state agency in the event federal receipts are reduced by 25% or more, and requires the Government Operations and Political Subdivisions Interim Committee to study whether to apply federal receipts reporting requirements to certain other governmental entities.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires certain state agencies to prepare and submit a report to the Division of Finance on federal receipts received by the state agencies;
- ▶ requires the report to contain a plan to operate the state agency in the event federal receipts are reduced by 25% or more;
- ▶ requires the Division of Finance to report to the Executive Appropriations Committee on the reports the state agencies are required to make to the Division of Finance;
- ▶ provides procedures for requiring the Executive Appropriations Committee to review the Division of Finance report;



26 ▶ provides that the Executive Appropriations Committee may make certain
27 recommendations including a reduction or elimination of appropriations to certain
28 state agencies; and

29 ▶ requires the Government Operations and Political Subdivisions Interim Committee
30 to study whether to apply federal receipts reporting requirements to certain other
31 governmental entities.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 ENACTS:

38 **63J-1-219**, Utah Code Annotated 1953

39 **Uncodified Material Affected:**

40 ENACTS UNCODIFIED MATERIAL



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

43 Section 1. Section **63J-1-219** is enacted to read:

44 **63J-1-219. Definitions -- Federal receipts reporting requirements.**

45 (1) As used in this section:

46 (a) (i) "Designated state agency" means the Department of Administrative Services, the
47 Department of Agriculture and Food, the Department of Alcoholic Beverage Control, the
48 Department of Commerce, the Department of Community and Culture, the Department of
49 Corrections, the Department of Environmental Quality, the Department of Financial
50 Institutions, the Department of Health, the Department of Human Resource Management, the
51 Department of Human Services, the Department of Insurance, the Department of Natural
52 Resources, the Department of Public Safety, the Department of Technology Services, the
53 Department of Transportation, the Department of Veterans' Affairs, the Department of
54 Workforce Services, the Labor Commission, the Office of Economic Development, the Public
55 Service Commission, the State Board of Regents, the State Office of Education, the State Tax
56 Commission, or the Utah National Guard.

57 (ii) "Designated state agency" does not include the judicial branch, the legislative
58 branch, or an office or other entity within the judicial branch or the legislative branch.

59 (b) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C.
60 Sec. 7501, that is reported as part of a single audit.

61 (c) "Single audit" is as defined in 31 U.S.C. Sec. 7501.

62 (2) Subject to Subsections (3) and (4), a designated state agency shall each year, on or
63 before October 31, prepare a report that:

64 (a) reports the value of federal receipts the designated state agency received for the
65 preceding fiscal year;

66 (b) reports the amount of federal funds appropriated by the Legislature to the
67 designated state agency for the preceding fiscal year.

68 (c) calculates the percentage of the designated state agency's total budget for the
69 preceding fiscal year that constitutes federal receipts that the designated state agency received
70 for that fiscal year; and

71 (d) develops a plan for operating the designated state agency if there is a reduction of
72 25% or more in the federal receipts that the designated state agency receives.

73 (3) (a) The report required by Subsection (2) that the Board of Regents prepares shall
74 include the information required by Subsections (2)(a) through (c) for each state institution of
75 higher education listed in Section 53B-2-101.

76 (b) The report required by Subsection (2) that the State Office of Education prepares
77 shall include the information required by Subsections (2)(a) through (c) for each school within
78 the public education system.

79 (4) A designated state agency that prepares a report in accordance with Subsection (2)
80 shall submit the report to the Division of Finance on or before November 1 of each year.

81 (5) (a) The Division of Finance shall, on or before November 30 of each year, prepare a
82 report that:

83 (i) compiles and summarizes the reports the Division of Finance receives in accordance
84 with Subsection (4); and

85 (ii) compares the federal receipts each designated state agency received for the
86 previous fiscal year to the amount of federal funds appropriated by the Legislature to that
87 designated state agency for that fiscal year.

88 (b) The Division of Finance shall, as part of the report required by Subsection (5)(a),
89 compile a list of designated state agencies that do not submit a report as required by this
90 section.

91 (6) The Division of Finance shall submit the report required by Subsection (5) to the
92 Executive Appropriations Committee on or before December 1 of each year.

93 (7) Upon receipt of the report required by Subsection (5), the chairs of the Executive
94 Appropriations Committee shall place the report on the agenda for review and consideration at
95 the next Executive Appropriations Committee meeting.

96 (8) When considering the report required by Subsection (5), the Executive
97 Appropriations Committee may elect to:

98 (a) recommend that the Legislature reduce or eliminate appropriations for a designated
99 state agency;

100 (b) take no action; or

101 (c) take another action that a majority of the committee approves.

102 **Section 2. Government Operations and Political Subdivisions Interim Committee**
103 **study.**

104 During the 2011 interim, the Government Operations and Political Subdivisions Interim
105 Committee shall study whether to draft legislation requiring:

106 (1) a political subdivision to:

107 (a) calculate the value of federal receipts the political subdivision receives;

108 (b) calculate the percentage of the political subdivision's total budget that constitutes
109 federal receipts; and

110 (c) develop a plan for operating the political subdivision if there is a reduction of 25%
111 or more in the federal receipts the political subdivision receives; or

112 (2) a state institution of higher education listed in Section 53B-2-101 or a school within
113 the public education system to develop a plan for operating the state institution of higher
114 education or the school if there is a reduction of 25% or more in the federal receipts the state
115 institution of higher education or school receives.