

HB0363S01 compared with HB0363

~~{deleted text}~~ shows text that was in HB0363 but was deleted in HB0363S01.

Inserted text shows text that was not in HB0363 but was inserted into HB0363S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Ken Ivory proposes the following substitute bill:

FEDERAL FUNDS AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to the budgeting process for federal funds.

Highlighted Provisions:

This bill:

- ▶ provides and amends definitions;
- ▶ clarifies that ~~{each}~~ certain agency ~~{that receives federal}~~ authorizations to expend dedicated credits and fixed collections revenues greater than the amount appropriated to them ~~{by the Legislature}~~ do not apply to federal funds appropriated in ~~{the annual}~~ an appropriations act ~~{may expend a certain amount that exceeds the appropriated amount if the expenditure is authorized by an approved amended work program}~~;
- ~~amends the definition of new federal funds for determining approval requirements~~

HB0363S01 compared with HB0363

~~for federal funds~~;

- ▶ repeals a provision that authorizes an agency that receives federal funds greater than the amount approved through the budgeting process to expend up to 25% in excess of the amount approved in certain circumstances; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63J-2-102, as last amended by Laws of Utah 2016, Chapter 120

63J-2-202, as last amended by Laws of Utah 2012, Chapter 102

63J-5-102, as last amended by Laws of Utah 2016, Chapter 272

REPEALS:

63J-5-205, as enacted by Laws of Utah 2011, Chapter 326

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

Section 1. Section 63J-2-102 is amended to read:

63J-2-102. Definitions.

As used in this chapter:

(1) (a) "Agency" means each department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the state.

(b) "Agency" does not include the legislative branch, the board of regents, the Utah Higher Education Assistance Authority, the board of trustees of each higher education institution, each higher education institution and its associated branches, centers, divisions, institutes, foundations, hospitals, colleges, schools, or departments, a public education entity, or an independent agency.

(2) (a) "Dedicated credits revenues" means revenues from collections by an agency that are deposited directly into an account for expenditure on a separate line item and program.

HB0363S01 compared with HB0363

(b) "Dedicated credits" does not mean:

(i) ~~federal revenues~~ federal funds and the related pass through or the related state match paid by one agency to another;

(ii) revenues that are not deposited in governmental funds; or

(iii) revenues from any contracts.

(3) "Federal funds" means the same as that term is defined in Section 63J-5-102.

~~(3)~~ (4) "Fees" means revenue collected by an agency for performing a service or providing a function that the agency deposits or accounts for as dedicated credits or fixed collections.

~~(4)~~ (5) (a) "Fixed collections revenues" means revenue from collections:

(i) fixed by law or by the appropriation act at a specific amount; and

(ii) required by law to be deposited into a separate line item and program.

(b) "Fixed collections" does not mean:

(i) ~~federal revenues~~ federal funds and the related pass through or the related state match paid by one agency to another;

(ii) revenues that are not deposited in governmental funds;

(iii) revenues from any contracts; and

(iv) revenues received by the ~~Attorney General's~~ Office of the Attorney General from billings for professional services.

~~(5)~~ (6) (a) "Governmental fund" means funds used to account for the acquisition, use, and balances of expendable financial resources and related liabilities using a measurement focus that emphasizes the flow of financial resources.

(b) "Governmental fund" does not include internal service funds, enterprise funds, capital projects funds, debt service funds, or trust and agency funds as established in Section 51-5-4.

~~(6)~~ (7) "Independent agency" means the Utah State Retirement Office, the Utah Housing Corporation, and the Workers' Compensation Fund.

~~(7)~~ (8) "Program" means the function or service provided by an agency for which the agency collects fees.

~~(8)~~ (9) "Revenue types" means the categories established by the Division of Finance under the authority of this chapter that classify revenue according to the purpose for which it is

HB0363S01 compared with HB0363

collected.

Section ~~63J-2~~2. Section **63J-2-202** is amended to read:

63J-2-202. Disposition of revenues -- Reporting of balances in dedicated credits and fixed collections.

(1) (a) Each agency shall include in its annual budget request estimates of dedicated credits revenues and fixed collections revenues that are identified by, collected for, or set by the agency.

(b) If the Legislature or the Division of Finance establishes a new revenue type by law, the agency shall include that new revenue type in its budget request for the next fiscal year.

(c) (i) Except as provided in Subsection (1)(c)(ii), if any agency fails to include the estimates of a revenue type in its annual budget request, the Division of Finance shall deposit the money collected in that revenue type into the General Fund or other appropriate fund as free or restricted revenue.

(ii) The Division of Finance may not deposit the money collected from a revenue type not included in an agency's annual budget request into the General Fund or other appropriate fund if the agency did not include the estimates of the revenue type in its annual budget request because the Legislature had not yet established or authorized the new revenue type by law.

(2) (a) (i) (A) Except as provided in Subsection (2)(a)(i)(B) ~~[or]~~, (2)(b), or (2)(c), each agency that receives dedicated credits and fixed collections revenues greater than the amount appropriated to them by the Legislature in the annual appropriations act may expend the excess up to 25% of the amount appropriated if the expenditure is authorized by an amended work program approved as provided in Section 63J-1-209.

(B) Except for line items covering tuition and federal vocational funds at institutions of higher learning, any expenditure of dedicated credits in excess of amounts appropriated by the Legislature may not be used to permanently increase personnel within the agency unless approved by the Legislature.

(ii) The Division of Finance shall deposit the balance of that excess into the General Fund or other appropriate fund as free or restricted revenue.

(b) Notwithstanding the requirements of Subsection (2)(a) and except as provided in Subsection (2)(c), when an agency's dedicated credits and fixed collections revenues represent over 90% of the budget of the program for which they are collected, the agency may expend

HB0363S01 compared with HB0363

100% of the excess of the amount appropriated if the expenditure is authorized by an amended work program approved as provided in Section 63J-1-209.

~~(c) Notwithstanding the requirements of Subsection (2)(a), each agency that receives federal~~The authorizations in Subsections (2)(a) and (b) to expend dedicated credits and fixed collections revenues greater than the amount appropriated to ~~them~~an agency by the Legislature in the annual appropriations act ~~may expend the excess up to 25% of the amount appropriated as an ongoing amount if the expenditure is authorized by an amended work program approved as provided in Section 63J-1-209~~do not apply to federal funds appropriated to an agency by the Legislature in the annual appropriations act.

(3) Each agency that receives dedicated credits or fixed collections shall report, to the Division of Finance, any balances remaining in those funds at the conclusion of each fiscal year.

Section ~~2~~3. Section **63J-5-102** is amended to read:

63J-5-102. Definitions.

(1) As used in this chapter:

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

(ii) "Agency" includes:

(A) executive branch entities;

(B) judicial branch entities; and

(C) the State Board of Education.

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

(b) (i) "Federal funds" means cash or other money received from the United States government or from other individuals or entities for or on behalf of the United States and deposited with the state treasurer or any agency of the state.

(ii) "Federal funds" includes federal assistance and federal assistance programs, however described.

(iii) "Federal funds" does not include money received from the United States government to reimburse the state for money expended by the state.

(c) "Federal funds reauthorization" means:

(i) the formal submission from an agency to the federal government applying for or

HB0363S01 compared with HB0363

seeking reauthorization of federal funds which the state is currently receiving;

(ii) the formal submission from an agency to the federal government applying for or seeking reauthorization to participate in a federal program in which the state is currently participating that will result in federal funds being transferred to an agency; or

(iii) that period after the first year of a previously authorized and awarded grant or funding award, during which federal funds are disbursed or are scheduled to be disbursed after the first year because the term of the grant or financial award extends for more than one year.

(d) (i) "Federal funds request summary" means a document detailing:

(A) the amount of money that is being requested or is available to be received by the state from the federal government for each federal funds reauthorization or new federal funds request;

(B) those federal funds reauthorizations and new federal funds requests that are included as part of the agency's proposed budget for the fiscal year, and the amount of those requests;

(C) the amount of new state money, if any, that will be required to receive the federal funds or participate in the federal program;

(D) the number of additional permanent full-time employees, additional permanent part-time employees, or combination of additional permanent full-time employees and additional permanent part-time employees, if any, that the state estimates are needed in order to receive the federal funds or participate in the federal program; and

(E) any requirements that the state must meet as a condition for receiving the federal funds or participating in the federal program.

(ii) "Federal funds request summary" includes, if available:

(A) the letter awarding an agency a grant of federal funds; or

(B) other official documentation awarding an agency a grant of federal funds.

(e) "Federal maintenance of effort requirements" means any matching, level of effort, or earmarking requirements, as defined in Office of Management and Budget requirements, that are imposed on an agency as a condition of receiving federal funds.

(f) "Local education agency" or "LEA" means:

(i) a school district;

(ii) a charter school; or

HB0363S01 compared with HB0363

(iii) the Utah Schools for the Deaf and the Blind.

(g) "New federal funds" means:

(i) federal assistance or other federal funds that are available from the federal government that:

(A) the state is not currently receiving; or

(B) exceed the federal funds amount most recently approved by the Legislature ~~as an ongoing amount~~ ~~by more than 25%~~ for a federal grant or program in which the state is currently participating;

(ii) a federal assistance program or other federal program in which the state is not currently participating; or

(iii) a one-time TANF request.

(h) "New federal funds request" means:

(i) the formal submission from an agency to the federal government:

(A) applying for or otherwise seeking to obtain new federal funds; or

(B) applying for or seeking to participate in a new federal program that will result in federal funds being transferred to an agency; or

(ii) a one-time TANF request.

(i) (i) "New state money" means money, whether specifically appropriated by the Legislature or not, that the federal government requires Utah to expend as a condition for receiving the federal funds or participating in the federal program.

(ii) "New state money" includes money expended to meet federal maintenance of effort requirements.

(j) "One-time TANF request" means a proposed expenditure by the Department of Workforce Services from its reserves of federal Temporary Assistance for Needy Families funds:

(i) for a project or program that will last for a fixed amount of time and is not an ongoing project or program of the Department of Workforce Services; and

(ii) that is greater than \$1,000,000 over the amount most recently approved by the Legislature.

(k) (i) "Pass-through federal funds" means federal funds provided to an agency that are distributed to local governments or private entities without being used by the agency.

HB0363S01 compared with HB0363

(ii) "Pass-through federal funds" does not include federal funds provided to the State Board of Education that are distributed to a local education agency or other subrecipient without being used by the State Board of Education.

(1) "State" means the state of Utah and all of its agencies, and any administrative subunits of those agencies.

(2) When this chapter describes an employee as a "permanent full-time employee" or a "permanent part-time employee," it is not intended to, and may not be construed to, affect the employee's status as an at-will employee.

Section 4. Repealer.

This bill repeals:

Section 63J-5-205, Federal funds awards that exceed approved appropriations.

Section ~~3~~5. **Effective date.**

This bill takes effect on July 1, 2017.

†

~~Legislative Review Note~~

~~Office of Legislative Research and General Counsel~~