

Representative Melissa G. Ballard proposes the following substitute bill:

PERFORMANCE REPORTING AND EFFICIENCY REQUIREMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melissa G. Ballard

Senate Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill modifies provisions related to government performance reporting and efficiency requirements.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ modifies the duties of the Office of the Legislative Fiscal Analyst and the Office of the Legislative Auditor General related to government processes targeted for efficiency improvements;
- ▶ modifies the process by which an agency develops and reports performance measures;
- ▶ requires the Governor's Office of Management and Budget and the Office of the Legislative Fiscal Analyst to:
 - establish a process to target certain government processes for efficiency improvements; and
 - report annually regarding the status of the efficiency improvement process and any recommended changes;
- ▶ clarifies that the judicial department and the legislative department are not subject



26 to certain performance reporting requirements; and
27 ▶ makes technical and conforming changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **36-12-13**, as last amended by Laws of Utah 2018, Chapter 248

35 **36-12-15**, as last amended by Laws of Utah 2020, Chapter 356

36 **63I-1-263**, as last amended by Laws of Utah 2020, Chapters 82, 152, 154, 199, 230,
37 303, 322, 336, 354, 360, 375, 405 and last amended by Coordination Clause, Laws
38 of Utah 2020, Chapter 360

39 **63J-1-201**, as last amended by Laws of Utah 2020, Chapter 152

40 **63J-1-602.2**, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20

41 ENACTS:

42 **63J-1-901**, Utah Code Annotated 1953

43 **63J-1-902**, Utah Code Annotated 1953

44 **63J-1-903**, Utah Code Annotated 1953

45 **63J-1-904**, Utah Code Annotated 1953

46 REPEALS:

47 **36-24-101**, as last amended by Laws of Utah 2011, Chapter 342



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

50 Section 1. Section **36-12-13** is amended to read:

51 **36-12-13. Office of the Legislative Fiscal Analyst established -- Powers, functions,**
52 **and duties -- Qualifications.**

53 (1) There is established an Office of the Legislative Fiscal Analyst as a permanent staff
54 office for the Legislature.

55 (2) The powers, functions, and duties of the Office of the Legislative Fiscal Analyst
56 under the supervision of the fiscal analyst are:

- 57 (a) (i) to estimate general revenue collections, including comparisons of:
58 (A) current estimates for each major tax type to long-term trends for that tax type;
59 (B) current estimates for federal fund receipts to long-term federal fund trends; and
60 (C) current estimates for tax collections and federal fund receipts to long-term trends
61 deflated for the inflationary effects of debt monetization; and
62 (ii) to report the analysis required under Subsection (2)(a)(i) to the Legislature's
63 Executive Appropriations Committee before each annual general session of the Legislature;
64 (b) to analyze in detail the state budget before the convening of each legislative session
65 and make recommendations to the Legislature on each item or program appearing in the
66 budget, including:
67 (i) funding for and performance of programs, acquisitions, and services currently
68 undertaken by state government to determine whether each department, agency, institution, or
69 program should:
70 (A) continue at its current level of expenditure;
71 (B) continue at a different level of expenditure; or
72 (C) be terminated; and
73 (ii) increases or decreases to spending authority and other resource allocations for the
74 current and future fiscal years;
75 (c) to prepare on all proposed bills fiscal estimates that reflect:
76 (i) potential state government revenue impacts;
77 (ii) anticipated state government expenditure changes;
78 (iii) anticipated expenditure changes for county, municipal, local district, or special
79 service district governments; and
80 (iv) anticipated direct expenditure by Utah residents and businesses, including the unit
81 cost, number of units, and total cost to all impacted residents and businesses;
82 (d) to indicate whether each proposed bill will impact the regulatory burden for Utah
83 residents or businesses, and if so:
84 (i) whether the impact increases or decreases the regulatory burden; and
85 (ii) whether the change in burden is high, medium, or low;
86 (e) beginning in 2017 and repeating every three years after 2017, to prepare the
87 following cycle of analyses of long-term fiscal sustainability:

- 88 (i) in year one, the joint revenue volatility report required under Section 63J-1-205;
- 89 (ii) in year two, a long-term budget for programs appropriated from major funds and
90 tax types; and
- 91 (iii) in year three, a budget stress test comparing estimated future revenue to and
92 expenditure from major funds and tax types under various potential economic conditions;
- 93 (f) to report instances in which the administration may be failing to carry out the
94 expressed intent of the Legislature;
- 95 (g) to propose and analyze statutory changes for more effective operational economies
96 or more effective administration;
- 97 (h) to prepare, before each annual general session of the Legislature, a summary
98 showing the current status of the following as compared to the past nine fiscal years:
 - 99 (i) debt;
 - 100 (ii) long-term liabilities;
 - 101 (iii) contingent liabilities;
 - 102 (iv) General Fund borrowing;
 - 103 (v) reserves;
 - 104 (vi) fund and nonlapsing balances; and
 - 105 (vii) cash funded capital investments;
- 106 (i) to make recommendations for addressing the items described in Subsection (2)(h) in
107 the upcoming annual general session of the Legislature;
- 108 (j) to prepare, after each session of the Legislature, a summary showing the effect of
109 the final legislative program on the financial condition of the state;
- 110 (k) to conduct organizational and management improvement studies in accordance
111 with Title 63J, Chapter 1, Part 9, Government Performance Reporting and Efficiency Process,
112 and legislative rule;
- 113 (l) to prepare and deliver upon request of any interim committee or the Legislative
114 Management Committee, reports on the finances of the state and on anticipated or proposed
115 requests for appropriations;
- 116 (m) to recommend areas for research studies by the executive department or the interim
117 committees;
- 118 (n) to appoint and develop a professional staff within budget limitations;

- 119 (o) to prepare and submit the annual budget request for the office;
- 120 (p) to develop a taxpayer receipt:
- 121 (i) available to taxpayers through a website; and
- 122 (ii) that allows a taxpayer to view on the website an estimate of how the taxpayer's tax
- 123 dollars are expended for government purposes; and
- 124 (q) to publish or provide other information on taxation and government expenditures
- 125 that may be accessed by the public.

126 (3) The legislative fiscal analyst shall have a master's degree in public administration,

127 political science, economics, accounting, or the equivalent in academic or practical experience.

128 (4) In carrying out the duties provided for in this section, the legislative fiscal analyst

129 may obtain access to all records, documents, and reports necessary to the scope of the

130 legislative fiscal analyst's duties according to the procedures contained in Title 36, Chapter 14,

131 Legislative Subpoena Powers.

132 Section 2. Section **36-12-15** is amended to read:

133 **36-12-15. Office of the Legislative Auditor General established -- Qualifications --**

134 **Powers, functions, and duties.**

135 (1) There is created an Office of the Legislative Auditor General as a permanent staff

136 office for the Legislature.

137 (2) The legislative auditor general shall be a licensed certified public accountant or

138 certified internal auditor with at least five years of experience in the auditing or public

139 accounting profession, or the equivalent, prior to appointment.

140 (3) The legislative auditor general shall appoint and develop a professional staff within

141 budget limitations.

142 (4) (a) The Office of the Legislative Auditor General shall exercise the constitutional

143 authority provided in Article VI, Sec. 33, Utah Constitution.

144 (b) Under the direction of the legislative auditor general, the office shall:

145 (i) conduct comprehensive and special purpose audits, examinations, and reviews of

146 any entity that receives public funds;

147 (ii) prepare and submit a written report on each audit, examination, or review to the

148 Legislative Management Committee, the audit subcommittee, and to all members of the

149 Legislature within 75 days after the audit or examination is completed; and

150 ~~[(iii) as provided in Section 36-24-101:]~~
151 ~~[(A) monitor all new programs and agencies created during each Annual General~~
152 ~~Session or Special Session of the Legislature;]~~
153 ~~[(B) provide each new program and agency created with a list of best practices in~~
154 ~~setting up their program or agency, including:]~~
155 ~~[(F) policies;]~~
156 ~~[(H) performance measures; and]~~
157 ~~[(HH) data collection;]~~
158 ~~[(C) send each new program and agency:]~~
159 ~~[(F) within one year after its creation, a survey instrument requesting a self evaluation~~
160 ~~that includes policies, performance measures, and data collection; and]~~
161 ~~[(H) within two years after its creation, a survey instrument requesting a self evaluation~~
162 ~~that includes policies, performance measures, and data collection; and]~~
163 ~~[(D) (I) using the new program or agency's response to the self evaluation survey~~
164 ~~instruments, recommend to the legislative audit subcommittee that the office conduct an audit~~
165 ~~of those new programs and agencies created on which questions have arisen as a result of the~~
166 ~~response to the survey instrument and provide a limited scope audit report on those new~~
167 ~~programs or agencies on which it receives direction to audit to the legislative interim~~
168 ~~committee and to the legislative appropriations subcommittee with oversight responsibility for~~
169 ~~that program or agency on or before the November interim meeting; and]~~
170 ~~[(H) include within this limited scope audit report a recommendation as to whether the~~
171 ~~program or agency is fulfilling its statutory guidelines and directives.]~~
172 (iii) monitor and conduct a risk assessment of any efficiency evaluations in accordance
173 with Title 63J, Chapter 1, Part 9, Government Performance Reporting and Efficiency Process,
174 and legislative rule.
175 (5) The audit, examination, or review of any entity that receives public funds may
176 include a determination of any or all of the following:
177 (a) the honesty and integrity of all [its] the entity's fiscal affairs;
178 (b) the accuracy and reliability of [its] the entity's financial statements and reports;
179 (c) whether or not [its] the entity's financial controls are adequate and effective to
180 properly record and safeguard its acquisition, custody, use, and accounting of public funds;

181 (d) whether or not [~~its~~] the entity's administrators have faithfully adhered to legislative
182 intent;

183 (e) whether or not [~~its~~] the entity's operations have been conducted in an efficient,
184 effective, and cost efficient manner;

185 (f) whether or not [~~its~~] the entity's programs have been effective in accomplishing
186 intended objectives; and

187 (g) whether or not [~~its~~] the entity's management control and information systems are
188 adequate and effective.

189 (6) The Office of the Legislative Auditor General:

190 (a) (i) shall, notwithstanding any other provision of law, have access to all records,
191 documents, and reports of any entity that receives public funds that are necessary to the scope
192 of the duties of the legislative auditor general or the office; and

193 (ii) may issue a subpoena to obtain access as provided in Subsection (6)(a)(i) using the
194 procedures contained in Title 36, Chapter 14, Legislative Subpoena Powers;

195 (b) establish policies, procedures, methods, and standards of audit work for the office
196 and staff;

197 (c) prepare and submit each audit report without interference from any source relative
198 to the content of the report, the conclusions reached in the report, or the manner of disclosing
199 the results of the legislative auditor general's findings; and

200 (d) prepare and submit the annual budget request for the office.

201 (7) To preserve the professional integrity and independence of the office:

202 (a) no legislator or public official may urge the appointment of any person to the office;
203 and

204 (b) the legislative auditor general may not be appointed to serve on any board,
205 authority, commission, or other agency of the state during the legislative auditor general's term
206 as legislative auditor general.

207 (8) The following records in the custody or control of the legislative auditor general
208 shall be protected records under Title 63G, Chapter 2, Government Records Access and
209 Management Act:

210 (a) Records that would disclose information relating to allegations of personal
211 misconduct, gross mismanagement, or illegal activity of a past or present governmental

212 employee if the information or allegation cannot be corroborated by the legislative auditor
213 general through other documents or evidence, and the records relating to the allegation are not
214 relied upon by the legislative auditor general in preparing a final audit report.

215 (b) Records and audit workpapers to the extent they would disclose the identity of a
216 person who during the course of a legislative audit, communicated the existence of any waste
217 of public funds, property, or manpower, or a violation or suspected violation of a law, rule, or
218 regulation adopted under the laws of this state, a political subdivision of the state, or any
219 recognized entity of the United States, if the information was disclosed on the condition that
220 the identity of the person be protected.

221 (c) Prior to the time that an audit is completed and the final audit report is released,
222 records or drafts circulated to a person who is not an employee or head of a governmental
223 entity for their response or information.

224 (d) Records that would disclose an outline or part of any audit survey plans or audit
225 program.

226 (e) Requests for audits, if disclosure would risk circumvention of an audit.

227 (f) The provisions of Subsections (8)(a), (b), and (c) do not prohibit the disclosure of
228 records or information that relate to a violation of the law by a governmental entity or
229 employee to a government prosecutor or peace officer.

230 (g) The provisions of this section do not limit the authority otherwise given to the
231 legislative auditor general to classify a document as public, private, controlled, or protected
232 under Title 63G, Chapter 2, Government Records Access and Management Act.

233 (9) The legislative auditor general shall:

234 (a) be available to the Legislature and to ~~its~~ the Legislature's committees for
235 consultation on matters relevant to areas of the legislative auditor general's professional
236 competence;

237 (b) conduct special audits as requested by the Legislative Management Committee;

238 (c) report immediately in writing to the Legislative Management Committee through its
239 audit subcommittee any apparent violation of penal statutes disclosed by the audit of a state
240 agency and furnish to the Legislative Management Committee all information relative to the
241 apparent violation;

242 (d) report immediately in writing to the Legislative Management Committee through

243 its audit subcommittee any apparent instances of malfeasance or nonfeasance by a state officer
244 or employee disclosed by the audit of a state agency; and

245 (e) make any recommendations to the Legislative Management Committee through its
246 audit subcommittee with respect to the alteration or improvement of the accounting system
247 used by any entity that receives public funds.

248 (10) If the legislative auditor general conducts an audit of a state agency that has
249 previously been audited and finds that the state agency has not implemented a recommendation
250 made by the legislative auditor general in a previous audit, the legislative auditor general shall,
251 upon release of the audit:

252 (a) report immediately in writing to the Legislative Management Committee through its
253 audit subcommittee that the state agency has not implemented that recommendation; and

254 (b) shall report, as soon as possible, that the state agency has not implemented that
255 recommendation to a meeting of an appropriate legislative committee designated by the audit
256 subcommittee of the Legislative Management Committee.

257 (11) (a) Prior to each annual general session, the legislative auditor general shall
258 prepare a summary of the audits conducted and of actions taken based upon them during the
259 preceding year.

260 (b) This report shall also set forth any items and recommendations that are important
261 for consideration in the forthcoming session, together with a brief statement or rationale for
262 each item or recommendation.

263 (c) The legislative auditor general shall deliver the report to the Legislature and to the
264 appropriate committees of the Legislature.

265 (12) (a) No person or entity may:

266 (i) interfere with a legislative audit, examination, or review of any entity conducted by
267 the office; or

268 (ii) interfere with the office relative to the content of the report, the conclusions
269 reached in the report, or the manner of disclosing the results and findings of the office.

270 (b) Any person or entity that violates the provisions of this Subsection (12) is guilty of
271 a class B misdemeanor.

272 (13) (a) Beginning July 1, 2020, the Office of the Legislative Auditor General may
273 require any current employee, or any applicant for employment, to submit to a

274 fingerprint-based local, regional, and criminal history background check as an ongoing
275 condition of employment.

276 (b) An employee or applicant for employment shall provide a completed fingerprint
277 card to the office upon request. The office shall require that an individual required to submit to
278 a background check under this subsection also provide a signed waiver on a form provided by
279 the office that meets the requirements of Subsection 53-10-108(4).

280 (c) For a noncriminal justice background search and registration in accordance with
281 Subsection 53-10-108(13), the office shall submit to the Bureau of Criminal Identification:

282 (i) the employee's or applicant's personal identifying information and fingerprints for a
283 criminal history search of applicable local, regional, and national databases; and

284 (ii) a request for all information received as a result of the local, regional, and
285 nationwide background check.

286 Section 3. Section 63I-1-263 is amended to read:

287 **63I-1-263. Repeal dates, Titles 63A to 63N.**

288 (1) In relation to the Utah Transparency Advisory Board, on January 1, 2025:

289 (a) Subsection 63A-1-201(1) is repealed;

290 (b) Subsection 63A-1-202(2)(c), the language "using criteria established by the board"
291 is repealed;

292 (c) Section 63A-1-203 is repealed;

293 (d) Subsections 63A-1-204(1) and (2), the language "After consultation with the board,
294 and" is repealed; and

295 (e) Subsection 63A-1-204(1)(b), the language "using the standards provided in
296 Subsection 63A-1-203(3)(c)" is repealed.

297 (2) Subsection 63A-5b-405(5), relating to prioritizing and allocating capital
298 improvement funding, is repealed July 1, 2024.

299 (3) Section 63A-5b-1003, State Facility Energy Efficiency Fund, is repealed July 1,
300 2023.

301 (4) Sections 63A-9-301 and 63A-9-302, related to the Motor Vehicle Review
302 Committee, are repealed July 1, 2023.

303 (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
304 1, 2028.

- 305 (6) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
306 2025.
- 307 (7) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed July 1,
308 2024.
- 309 (8) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
310 repealed July 1, 2021.
- 311 (9) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is repealed
312 July 1, 2023.
- 313 (10) Title 63C, Chapter 21, Outdoor Adventure Commission, is repealed July 1, 2025.
- 314 (11) Title 63F, Chapter 2, Data Security Management Council, is repealed July 1,
315 2025.
- 316 (12) Section [63G-6a-805](#), which creates the Purchasing from Persons with Disabilities
317 Advisory Board, is repealed July 1, 2026.
- 318 (13) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1,
319 2025.
- 320 (14) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
321 2024.
- 322 (15) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.
- 323 (16) Subsection [63J-1-602.1\(14\)](#), Nurse Home Visiting Restricted Account is repealed
324 July 1, 2026.
- 325 (17) (a) Subsection [63J-1-602.1\(58\)](#), relating to the Utah Statewide Radio System
326 Restricted Account, is repealed July 1, 2022.
- 327 (b) When repealing Subsection [63J-1-602.1\(58\)](#), the Office of Legislative Research and
328 General Counsel shall, in addition to the office's authority under Subsection [36-12-12\(3\)](#), make
329 necessary changes to subsection numbering and cross references.
- 330 (18) Subsection [63J-1-602.2\[~~\(4\)~~\]\(5\)](#), referring to dedicated credits to the Utah Marriage
331 Commission, is repealed July 1, 2023.
- 332 (19) Subsection [63J-1-602.2\[~~\(5\)~~\]\(6\)](#), referring to the Trip Reduction Program, is
333 repealed July 1, 2022.
- 334 (20) Subsection [63J-1-602.2\[~~\(25\)~~\]\(24\)](#), related to the Utah Seismic Safety
335 Commission, is repealed January 1, 2025.

336 (21) Title 63J, Chapter 4, Part 5, Resource Development Coordinating Committee, is
337 repealed July 1, 2027.

338 (22) Subsection 63J-4-608(3), which creates the Federal Land Application Advisory
339 Committee, is repealed on July 1, 2021.

340 (23) In relation to the Utah Substance Use and Mental Health Advisory Council, on
341 January 1, 2023:

342 (a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are
343 repealed;

344 (b) Section 63M-7-305, the language that states "council" is replaced with
345 "commission";

346 (c) Subsection 63M-7-305(1) is repealed and replaced with:

347 "(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

348 (d) Subsection 63M-7-305(2) is repealed and replaced with:

349 "(2) The commission shall:

350 (a) provide ongoing oversight of the implementation, functions, and evaluation of the
351 Drug-Related Offenses Reform Act; and

352 (b) coordinate the implementation of Section 77-18-1.1 and related provisions in
353 Subsections 77-18-1(5)(b)(iii) and (iv).".

354 (24) The Crime Victim Reparations and Assistance Board, created in Section
355 63M-7-504, is repealed July 1, 2027.

356 (25) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed July
357 1, 2022.

358 (26) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2021.

359 (27) Subsection 63N-1-301(4)(c), related to the Talent Ready Utah Board, is repealed
360 January 1, 2023.

361 (28) Title 63N, Chapter 1, Part 5, Governor's Economic Development Coordinating
362 Council, is repealed July 1, 2024.

363 (29) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

364 (30) Section 63N-2-512 is repealed July 1, 2021.

365 (31) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed
366 January 1, 2021.

367 (b) Section 59-9-107 regarding tax credits against premium taxes is repealed for
368 calendar years beginning on or after January 1, 2021.

369 (c) Notwithstanding Subsection (31)(b), an entity may carry forward a tax credit in
370 accordance with Section 59-9-107 if:

371 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
372 31, 2020; and

373 (ii) the qualified equity investment that is the basis of the tax credit is certified under
374 Section 63N-2-603 on or before December 31, 2023.

375 (32) Subsections 63N-3-109(2)(e) and 63N-3-109(2)(f)(i) are repealed July 1, 2023.

376 (33) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed
377 July 1, 2023.

378 (34) Title 63N, Chapter 7, Part 1, Board of Tourism Development, is repealed July 1,
379 2025.

380 (35) Title 63N, Chapter 9, Part 2, Outdoor Recreational Infrastructure Grant Program,
381 is repealed January 1, 2023.

382 (36) Title 63N, Chapter 12, Part 5, Talent Ready Utah Center, is repealed January 1,
383 2023.

384 Section 4. Section 63J-1-201 is amended to read:

385 **63J-1-201. Governor's proposed budget to Legislature -- Contents -- Preparation**
386 **-- Appropriations based on current tax laws and not to exceed estimated revenues.**

387 (1) The governor shall deliver, not later than 30 days before the date the Legislature
388 convenes in the annual general session, a confidential draft copy of the governor's proposed
389 budget recommendations to the Office of the Legislative Fiscal Analyst according to the
390 requirements of this section.

391 (2) (a) When submitting a proposed budget, the governor shall, within the first three
392 days of the annual general session of the Legislature, submit to the presiding officer of each
393 house of the Legislature:

394 (i) a proposed budget for the ensuing fiscal year;

395 (ii) a schedule for all of the proposed changes to appropriations in the proposed budget,
396 with each change clearly itemized and classified; and

397 (iii) as applicable, a document showing proposed changes in estimated revenues that

398 are based on changes in state tax laws or rates.

399 (b) The proposed budget shall include:

400 (i) a projection of:

401 (A) estimated revenues by major tax type;

402 (B) 15-year trends for each major tax type;

403 (C) estimated receipts of federal funds;

404 (D) 15-year trends for federal fund receipts; and

405 (E) appropriations for the next fiscal year;

406 (ii) the source of changes to all direct, indirect, and in-kind matching funds for all

407 federal grants or assistance programs included in the budget;

408 (iii) changes to debt service;

409 (iv) a plan of proposed changes to appropriations and estimated revenues for the next

410 fiscal year that is based upon the current fiscal year state tax laws and rates and considers

411 projected changes in federal grants or assistance programs included in the budget;

412 (v) an itemized estimate of the proposed changes to appropriations for:

413 (A) the [~~Legislative Department~~] legislative department as certified to the governor by

414 the president of the Senate and the speaker of the House;

415 (B) the [~~Executive Department~~] executive department;

416 (C) the [~~Judicial Department~~] judicial department as certified to the governor by the

417 state court administrator;

418 (D) changes to salaries payable by the state under the Utah Constitution or under law

419 for lease agreements planned for the next fiscal year; and

420 (E) all other changes to ongoing or one-time appropriations, including dedicated

421 credits, restricted funds, nonlapsing balances, grants, and federal funds;

422 (vi) for each line item, the average annual dollar amount of staff funding associated

423 with all positions that were vacant during the last fiscal year;

424 (vii) deficits or anticipated deficits;

425 (viii) the recommendations for each state agency for new full-time employees for the

426 next fiscal year, which shall also be provided to the director of the Division of Facilities

427 Construction and Management as required by Subsection [63A-5b-501\(3\)](#);

428 (ix) a written description and itemized report submitted by a state agency to the

429 Governor's Office of Management and Budget under Section 63J-1-220, including:

430 (A) a written description and an itemized report provided at least annually detailing the
431 expenditure of the state money, or the intended expenditure of any state money that has not
432 been spent; and

433 (B) a final written itemized report when all the state money is spent;

434 (x) any explanation that the governor may desire to make as to the important features
435 of the budget and any suggestion as to methods for the reduction of expenditures or increase of
436 the state's revenue; and

437 (xi) information detailing certain fee increases as required by Section 63J-1-504.

438 (3) (a) ~~[For]~~ Except as provided in Subsection (3)(b), for the purpose of preparing and
439 reporting the proposed budget, the governor:

440 ~~[(a) The governor]~~

441 (i) shall require the proper state officials, including all public and higher education
442 officials, all heads of executive and administrative departments and state institutions, bureaus,
443 boards, commissions, and agencies expending or supervising the expenditure of the state
444 money, and all institutions applying for state money and appropriations, to provide itemized
445 estimates of changes in revenues and appropriations[-];

446 ~~[(b) The governor]~~

447 (ii) may require the persons and entities subject to Subsection (3)(a)(i) to provide other
448 information under these guidelines and at times as the governor may direct, which may include
449 a requirement for program productivity and performance measures, where appropriate, with
450 emphasis on outcome indicators[-]; and

451 ~~[(c) The governor]~~

452 (iii) may require representatives of public and higher education, state departments and
453 institutions, and other institutions or individuals applying for state appropriations to attend
454 budget meetings.

455 (b) Subsections (3)(a)(ii) and (iii) do not apply to the judicial department or the
456 legislative department.

457 (4) (a) The Governor's Office of Management and Budget shall provide to the Office of
458 the Legislative Fiscal Analyst, as soon as practicable, but no later than 30 days before the ~~[date]~~
459 day on which the Legislature convenes in the annual general session, data, analysis, or requests

460 used in preparing the governor's budget recommendations, notwithstanding the restrictions
461 imposed on such recommendations by available revenue.

462 (b) The information under Subsection (4)(a) shall include:

463 (i) actual revenues and expenditures for the fiscal year ending the previous June 30;

464 (ii) estimated or authorized revenues and expenditures for the current fiscal year;

465 (iii) requested revenues and expenditures for the next fiscal year;

466 (iv) detailed explanations of any differences between the amounts appropriated by the

467 Legislature in the current fiscal year and the amounts reported under Subsections (4)(b)(ii) and

468 (iii); and

469 [~~(v) a statement of:~~]

470 [~~(A) agency and program objectives, effectiveness measures, and program size~~
471 ~~indicators;~~]

472 [~~(B) the final status of the program objectives, effectiveness measures, and program~~
473 ~~size indicators included in the appropriations act for the fiscal year ending the previous June~~
474 ~~30; and]~~

475 [~~(C) the current status of the program objectives, effectiveness measures, and program~~
476 ~~size indicators included in the appropriations act for the current fiscal year; and]~~

477 [~~(vi)] (v) other budgetary information required by the Legislature in statute.~~

478 (c) The budget information under Subsection (4)(a) shall cover:

479 (i) all items of appropriation, funds, and accounts included in appropriations acts for
480 the current and previous fiscal years; and

481 (ii) any new appropriation, fund, or account items requested for the next fiscal year.

482 (d) The information provided under Subsection (4)(a) may be provided as a shared
483 record under Section [63G-2-206](#) as considered necessary by the Governor's Office of
484 Management and Budget.

485 (5) (a) In submitting the budget for the Department of Public Safety, the governor shall
486 include a separate recommendation in the governor's budget for maintaining a sufficient
487 number of alcohol-related law enforcement officers to maintain the enforcement ratio equal to
488 or below the number specified in Subsection [32B-1-201\(2\)](#).

489 (b) If the governor does not include in the governor's budget an amount sufficient to
490 maintain the number of alcohol-related law enforcement officers described in Subsection

491 (5)(a), the governor shall include a message to the Legislature regarding the governor's reason
492 for not including that amount.

493 (6) (a) The governor may revise all estimates, except those relating to the [~~Legislative~~
494 ~~Department, the Judicial Department~~] legislative department, the judicial department, and those
495 providing for the payment of principal and interest to the state debt and for the salaries and
496 expenditures specified by the Utah Constitution or under the laws of the state.

497 (b) The estimate for the [~~Judicial Department~~] judicial department, as certified by the
498 state court administrator, shall also be included in the budget without revision, but the governor
499 may make separate recommendations on the estimate.

500 (7) The total appropriations requested for expenditures authorized by the budget may
501 not exceed the estimated revenues from taxes, fees, and all other sources for the next ensuing
502 fiscal year.

503 (8) If any item of the budget as enacted is held invalid upon any ground, the invalidity
504 does not affect the budget itself or any other item in [it] the budget.

505 Section 5. Section **63J-1-602.2** is amended to read:

506 **63J-1-602.2. List of nonlapsing appropriations to programs.**

507 Appropriations made to the following programs are nonlapsing:

- 508 (1) The Legislature and the Legislature's committees.
- 509 (2) The State Board of Education, including all appropriations to agencies, line items,
510 and programs under the jurisdiction of the State Board of Education, in accordance with
511 Section [53F-9-103](#).
- 512 (3) The Percent-for-Art Program created in Section [9-6-404](#).
- 513 (4) The LeRay McAllister Critical Land Conservation Program created in Section
514 [11-38-301](#).
- 515 (5) Dedicated credits accrued to the Utah Marriage Commission as provided under
516 Subsection [17-16-21\(2\)\(d\)\(ii\)](#).
- 517 (6) The Trip Reduction Program created in Section [19-2a-104](#).
- 518 (7) The Division of Wildlife Resources for the appraisal and purchase of lands under
519 the Pelican Management Act, as provided in Section [23-21a-6](#).
- 520 (8) The emergency medical services grant program in Section [26-8a-207](#).
- 521 (9) The primary care grant program created in Section [26-10b-102](#).

522 (10) Sanctions collected as dedicated credits from Medicaid provider under Subsection
523 26-18-3(7).

524 (11) The Utah Health Care Workforce Financial Assistance Program created in Section
525 26-46-102.

526 (12) The Rural Physician Loan Repayment Program created in Section 26-46a-103.

527 (13) The Opiate Overdose Outreach Pilot Program created in Section 26-55-107.

528 (14) Funds that the Department of Alcoholic Beverage Control retains in accordance
529 with Subsection 32B-2-301(8)(a) or (b).

530 (15) The General Assistance program administered by the Department of Workforce
531 Services, as provided in Section 35A-3-401.

532 [~~(16) A new program or agency that is designated as nonlapsing under Section~~
533 ~~36-24-101.~~]

534 [~~(17)~~ (16) The Utah National Guard, created in Title 39, Militia and Armories.

535 [~~(18)~~ (17) The State Tax Commission under Section 41-1a-1201 for the:

536 (a) purchase and distribution of license plates and decals; and

537 (b) administration and enforcement of motor vehicle registration requirements.

538 [~~(19)~~ (18) The Search and Rescue Financial Assistance Program, as provided in
539 Section 53-2a-1102.

540 [~~(20)~~ (19) The Motorcycle Rider Education Program, as provided in Section 53-3-905.

541 [~~(21)~~ (20) The Utah Board of Higher Education for teacher preparation programs, as
542 provided in Section 53B-6-104.

543 [~~(22)~~ (21) The Medical Education Program administered by the Medical Education
544 Council, as provided in Section 53B-24-202.

545 [~~(23)~~ (22) The Division of Services for People with Disabilities, as provided in
546 Section 62A-5-102.

547 [~~(24)~~ (23) The Division of Fleet Operations for the purpose of upgrading underground
548 storage tanks under Section 63A-9-401.

549 [~~(25)~~ (24) The Utah Seismic Safety Commission, as provided in Section 63C-6-104.

550 [~~(26)~~ (25) Appropriations to the Department of Technology Services for technology
551 innovation as provided under Section 63F-4-202.

552 [~~(27)~~ (26) The Office of Administrative Rules for publishing, as provided in Section

553 [63G-3-402](#).

554 ~~[(28)]~~ (27) The Governor's Office of Economic Development to fund the Enterprise
555 Zone Act, as provided in Title 63N, Chapter 2, Part 2, Enterprise Zone Act.

556 ~~[(29)]~~ (28) Appropriations to fund the Governor's Office of Economic Development's
557 Rural Employment Expansion Program, as described in Title 63N, Chapter 4, Part 4, Rural
558 Employment Expansion Program.

559 ~~[(30)]~~ (29) Appropriations to fund programs for the Jordan River Recreation Area as
560 described in Section [65A-2-8](#).

561 ~~[(31)]~~ (30) The Department of Human Resource Management user training program, as
562 provided in Section [67-19-6](#).

563 ~~[(32)]~~ (31) A public safety answering point's emergency telecommunications service
564 fund, as provided in Section [69-2-301](#).

565 ~~[(33)]~~ (32) The Traffic Noise Abatement Program created in Section [72-6-112](#).

566 ~~[(34)]~~ (33) The Judicial Council for compensation for special prosecutors, as provided
567 in Section [77-10a-19](#).

568 ~~[(35)]~~ (34) A state rehabilitative employment program, as provided in Section
569 [78A-6-210](#).

570 ~~[(36)]~~ (35) The Utah Geological Survey, as provided in Section [79-3-401](#).

571 ~~[(37)]~~ (36) The Bonneville Shoreline Trail Program created under Section [79-5-503](#).

572 ~~[(38)]~~ (37) Adoption document access as provided in Sections [78B-6-141](#), [78B-6-144](#),
573 and [78B-6-144.5](#).

574 ~~[(39)]~~ (38) Indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah Indigent
575 Defense Commission.

576 ~~[(40)]~~ (39) The program established by the Division of Facilities Construction and
577 Management under Section [63A-5b-703](#) under which state agencies receive an appropriation
578 and pay lease payments for the use and occupancy of buildings owned by the Division of
579 Facilities Construction and Management.

580 Section 6. Section **63J-1-901** is enacted to read:

581 **Part 9. Government Performance Reporting and Efficiency Process**

582 **63J-1-901. Title.**

583 This part is known as "Government Performance Reporting and Efficiency Process."

584 Section 7. Section **63J-1-902** is enacted to read:

585 **63J-1-902. Definitions.**

586 As used in this part:

587 (1) "Appropriated entity" means any entity that receives state funds.

588 (2) "Funding item" means an increase to an agency's state funding that:

589 (a) is \$10,000 or more; and

590 (b) results from action during a legislative session.

591 (3) "Performance measure" means a program objective, effectiveness measure,

592 program size indicator, or other related measure.

593 (4) "Product or service" means an appropriated entity's final output or outcome.

594 (5) "Government process" means a set of functions and procedures by which an

595 appropriated entity creates a product or service.

596 Section 8. Section **63J-1-903** is enacted to read:

597 **63J-1-903. Performance measure and funding item reporting.**

598 (1) The Governor's Office of Management and Budget and the Office of the Legislative

599 Fiscal Analyst may develop an information system to collect, track, and publish agency

600 performance measures.

601 (2) Each executive department agency shall:

602 (a) in consultation with the Governor's Office of Management and Budget and the

603 Office of the Legislative Fiscal Analyst, develop performance measures to include in an

604 appropriations act for each fiscal year; and

605 (b) on or before October 1 of each calendar year, provide to the Governor's Office of

606 Management and Budget and the Office of the Legislative Fiscal Analyst:

607 (i) any recommendations for legislative changes for the next fiscal year to the agency's

608 previously adopted performance measures; and

609 (ii) a report of the final status of the agency's performance measures included in the

610 appropriations act for the fiscal year ending the previous June 30.

611 (3) Each judicial department agency shall:

612 (a) develop performance measures to include in an appropriations act for each fiscal

613 year; and

614 (b) annually submit to the Office of the Legislative Fiscal Analyst a report that

615 contains:

616 (i) any recommendations for legislative changes for the next fiscal year to the agency's
617 previously adopted performance measures; and

618 (ii) the final status of the agency's performance measures included in the appropriations
619 act for the fiscal year ending the previous June 30.

620 (4) For each funding item, the executive department agency shall provide to the
621 Governor's Office of Management and Budget and the Office of the Legislative Fiscal Analyst:

622 (a) within 60 days after the day on which the Legislature adjourns a legislative session
623 sine die:

624 (i) one or more proposed performance measures developed in consultation with the
625 Governor's Office of Management and Budget and the Office of the Legislative Fiscal Analyst;
626 and

627 (ii) a target for each performance measure described in Subsection (4)(a)(i); and

628 (b) on or before August 15 of each year after the close of the fiscal year in which the
629 funding item was first funded, a report that includes:

630 (i) the status of each performance measure relative to the measure's target as described
631 in Subsection (4)(a);

632 (ii) the actual amount the agency spent, if any, on the funding item; and

633 (iii) (A) the month and year in which the agency implemented the program or project
634 associated with the funding item; or

635 (B) if the program or project associated with the funding item is not fully implemented,
636 the month and year in which the agency anticipates fully implementing the program or project
637 associated with the funding item.

638 (5) The Office of the Legislative Fiscal Analyst shall report the relevant performance
639 measure information described in this section to the Executive Appropriations Committee and
640 the appropriations subcommittees, as appropriate.

641 Section 9. Section **63J-1-904** is enacted to read:

642 **63J-1-904. Efficiency improvement process.**

643 (1) By May 1, 2022, the Governor's Office of Management and Budget and the Office
644 of the Legislative Fiscal Analyst shall jointly establish a process that identifies and prioritizes
645 government processes to target for efficiency improvements.

646 (2) The Governor's Office of Management and Budget and the Office of the Legislative
647 Fiscal Analyst shall ensure that the efficiency improvement process described in Subsection (1)
648 addresses the following:

649 (a) the roles of the Governor's Office of Management and Budget and the Office of the
650 Legislative Fiscal Analyst throughout the efficiency improvement process;

651 (b) how to collaborate with an appropriated entity in the development of the
652 appropriated entity's performance measures under Section [63J-1-903](#);

653 (c) how to evaluate the results of an appropriated entity's performance measures,
654 including identifying which performance measures that an appropriated entity may want to
655 retain, modify, or discontinue;

656 (d) the process by which an appropriated entity's government process is selected for an
657 efficiency evaluation;

658 (e) the criteria and methodology used for an efficiency evaluation;

659 (f) whether to provide any rewards or incentives for an appropriated entity to
660 implement recommendations from an efficiency evaluation;

661 (g) whether to create a formal or informal committee that advises the efficiency
662 improvement process; and

663 (h) the process by which the Governor's Office of Management and Budget and the
664 Office of the Legislative Fiscal Analyst notify the Office of the Legislative Auditor General
665 when an efficiency evaluation is completed.

666 (3) (a) The Office of the Legislative Auditor General shall independently review the
667 results of each efficiency evaluation conducted under this section.

668 (b) If, based on the review described in Subsection (3)(a), the Office of the Legislative
669 Auditor General determines further review is necessary, the Office of the Legislative Auditor
670 General shall:

671 (i) conduct a risk assessment; and

672 (ii) provide the results of the risk assessment to the Audit Subcommittee created in
673 Section [36-12-8](#).

674 (4) Beginning in 2021 and each calendar year thereafter, the Governor's Office of
675 Management and Budget and the Office of the Legislative Fiscal Analyst shall, before
676 December 31, report to the governor and the Legislative Management Committee, respectively,

677 regarding the status of the efficiency improvement process and recommended changes, if any.

677a **Ĥ→ (5) The efficiency improvement process described in this section does not apply to**
677b **a legislative department government process. ←Ĥ**

678 Section 10. **Repealer.**

679 This bill repeals:

680 Section **36-24-101**, **Review of new programs and agencies.**