

Representative Jennifer Dailey-Provost proposes the following substitute bill:

SERVICES FOR PEOPLE WITH DISABILITIES

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jennifer Dailey-Provost

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill creates the Services for People with Disabilities Perpetual Trust Fund.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Services for People with Disabilities Perpetual Trust Fund to pay for services for people on the waiting list for services with the Division of Services for People with Disabilities;
- ▶ exempts the People with Disabilities Perpetual Trust Fund from the State Money Management Act;
- ▶ allocates 5% of the General Fund revenue surplus, for two consecutive years, to the Services for People with Disabilities Perpetual Trust Fund; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2025:

- ▶ to Department of Health and Human Services - Long-Term Services & Support - Community Supports Waiver Services as a one-time appropriation:
 - from the Income Tax Fund, One-time, \$20,000,000



26 ▶ to Department of Health and Human Services - Services for People with Disabilities
27 Perpetual Trust Fund as a one-time appropriation:

28 • from the General Fund, One-time, \$400,000,000

29 ▶ to Transfers to Unrestricted Funds - Income Tax Fund as a one-time appropriation:

30 • from the American Rescue Plan Act Administrative Fund, One-time,
31 \$20,000,000

32 ▶ to Transportation - Transportation Investment Fund of 2005 as a one-time
33 appropriation:

34 • from the General Fund, One-time, (\$400,000,000)

35 **Other Special Clauses:**

36 None

37 **Utah Code Sections Affected:**

38 AMENDS:

39 **51-7-2**, as last amended by Laws of Utah 2023, Chapters 139, 242 and 328

40 **63J-1-315**, as last amended by Laws of Utah 2023, Chapter 329

41 **63N-3-106**, as last amended by Laws of Utah 2023, Chapter 499

42 ENACTS:

43 **26B-1-336**, Utah Code Annotated 1953



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

46 Section 1. Section **26B-1-336** is enacted to read:

47 **26B-1-336. Services for People with Disabilities Perpetual Trust Fund.**

48 (1) As used in this section:

49 (a) "Division" means the Division of Services for People with Disabilities created in

50 Section **26B-6-402**.

51 (b) "Trust corpus" means money appropriated by the Legislature to the trust fund,
52 excluding earnings on deposit or investment of that money.

53 (c) "Trust earnings" means earnings on deposit or investment of assets in the trust fund,
54 including earnings on deposit or investment of:

55 (i) trust corpus; and

56 (ii) prior earnings on deposit or investment.

57 (d) "Trust fund" means the Services for People with Disabilities Perpetual Trust Fund
58 created in Subsection (2).

59 (2) There is created a permanent and expendable revenue fund called the Services for
60 People with Disabilities Perpetual Trust Fund, which shall exist in perpetuity and fund division
61 services to people with disabilities in accordance with this section.

62 (3) During a fiscal year for which the beginning balance in the trust fund is greater than
63 \$400,000,000, the department or division shall expend an amount of up to 50% of trust
64 earnings from the prior fiscal year, to serve individuals who:

65 (a) are eligible for services from the division; and

66 (b) would otherwise remain on the division's waitlist for services.

67 (4) (a) The state treasurer shall:

68 (i) manage and invest assets in the trust fund in accordance with the prudent investor
69 rule established in Title 75, Chapter 7, Part 9, Utah Uniform Prudent Investor Act; and

70 (ii) ensure that earnings on deposit or investment of assets in the trust fund, including
71 earnings on deposit or investment of prior trust earnings, are deposited into the trust fund.

72 (b) The state treasurer may:

73 (i) deduct, before depositing trust earnings into the trust fund, any administrative costs
74 incurred under Subsection (4)(a); and

75 (ii) employ and compensate professional asset managers to assist in the management
76 and investment of assets in the trust fund, only if the compensation is paid solely with trust
77 earnings.

78 (5) (a) (i) Subject to Subsection (5)(b), at the end of the fiscal years ending June 30,
79 2024 and 2025, the Division of Finance shall transfer 5% of the General Fund revenue surplus
80 to the trust fund.

81 (ii) The Division of Finance shall calculate the amount to be transferred under this
82 Subsection (5)(a):

83 (A) after the transfer of General Fund revenue surplus has been made to the Wildland
84 Fire Suppression Fund and State Disaster Recovery Restricted Account, as provided in Section
85 [63J-1-314](#); and

86 (B) before the set aside to the Industrial Assistance Account under Section [63N-3-106](#).

87 (b) Notwithstanding Subsection (5)(a), if, at the end of a fiscal year, the Division of

88 Finance determines that there is an operating deficit, as defined in Section 63J-1-314, the
89 division shall reduce the transfer to the trust fund by an amount necessary to eliminate the
90 operating deficit, up to the full amount of the transfer.

91 Section 2. Section 51-7-2 is amended to read:

92 **51-7-2. Exemptions from chapter.**

93 (1) Except as provided in Subsection (2), the following funds are exempt from this
94 chapter:

95 (a) funds invested in accordance with the participating employees' designation or
96 direction pursuant to a public employees' deferred compensation plan established and operated
97 in compliance with Section 457 of the Internal Revenue Code of 1986, as amended;

98 (b) funds of the Utah State Retirement Board;

99 (c) funds of the Utah Housing Corporation;

100 (d) endowment funds of higher education institutions, including funds of the Higher
101 Education Student Success Endowment, created in Section 53B-7-802;

102 (e) permanent and other land grant trust funds established pursuant to the Utah
103 Enabling Act and the Utah Constitution;

104 (f) the State Post-Retirement Benefits Trust Fund;

105 (g) the funds of the Utah Educational Savings Plan;

106 (h) funds of the permanent state trust fund created by and operated under Utah
107 Constitution, Article XXII, Section 4;

108 (i) the funds in the Navajo Trust Fund;

109 (j) the funds in the Radioactive Waste Perpetual Care and Maintenance Account;

110 (k) the funds in the Employers' Reinsurance Fund;

111 (l) the funds in the Uninsured Employers' Fund;

112 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in
113 Section 26B-1-331;

114 (n) the funds in the Risk Management Fund created in Section 63A-4-201; [~~and~~]

115 (o) the Utah fund of funds created in Section 63N-6-401[-]; and

116 (p) the Services for People with Disabilities Perpetual Trust Fund created in Section
117 26B-1-336.

118 (2) Except for the funds of the Utah State Retirement Board and the Utah Educational

119 Savings Plan, the funds described in Subsection (1) are not exempt from Subsections
120 51-7-14(2) and (3).

121 Section 3. Section **63J-1-315** is amended to read:

122 **63J-1-315. Medicaid Growth Reduction and Budget Stabilization Account --**
123 **Transfers of Medicaid growth savings -- Base budget adjustments.**

124 (1) As used in this section:

125 (a) "Department" means the Department of Health and Human Services created in
126 Section 26B-1-201.

127 (b) "Division" means the Division of Integrated Healthcare created in Section
128 26B-3-102.

129 (c) "General Fund revenue surplus" means a situation where actual General Fund
130 revenues collected in a completed fiscal year exceed the estimated revenues for the General
131 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the
132 Legislature.

133 (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid
134 program expenditures, if Medicaid program expenditures are less than the Medicaid growth
135 target.

136 (e) "Medicaid growth target" means Medicaid program expenditures for the previous
137 year multiplied by 1.08.

138 (f) "Medicaid program" is as defined in Section 26B-3-101.

139 (g) "Medicaid program expenditures" means total state revenue expended for the
140 Medicaid program from the General Fund, including restricted accounts within the General
141 Fund, during a fiscal year.

142 (h) "Medicaid program expenditures for the previous year" means total state revenue
143 expended for the Medicaid program from the General Fund, including restricted accounts
144 within the General Fund, during the fiscal year immediately preceding a fiscal year for which
145 Medicaid program expenditures are calculated.

146 (i) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund
147 balance in the General Fund is less than zero.

148 (j) "State revenue" means revenue other than federal revenue.

149 (k) "State revenue expended for the Medicaid program" includes money transferred or

150 appropriated to the Medicaid Growth Reduction and Budget Stabilization Account only to the
151 extent the money is appropriated for the Medicaid program by the Legislature.

152 (2) There is created within the General Fund a restricted account to be known as the
153 Medicaid Growth Reduction and Budget Stabilization Account.

154 (3) (a) (i) Except as provided in Subsection (6), if, at the end of a fiscal year, there is a
155 General Fund revenue surplus, the Division of Finance shall transfer an amount equal to
156 Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and
157 Budget Stabilization Account.

158 (ii) If the amount transferred is reduced to prevent an operating deficit, as provided in
159 Subsection (6), the Legislature shall include, to the extent revenue is available, an amount
160 equal to the reduction as an appropriation from the General Fund to the account in the base
161 budget for the second fiscal year following the fiscal year for which the reduction was made.

162 (b) If, at the end of a fiscal year, there is not a General Fund revenue surplus, the
163 Legislature shall include, to the extent revenue is available, an amount equal to Medicaid
164 growth savings as an appropriation from the General Fund to the account in the base budget for
165 the second fiscal year following the fiscal year for which the reduction was made.

166 (c) Subsections (3)(a) and (3)(b) apply only to the fiscal year in which the department
167 implements the proposal developed under Section [26B-3-202](#) to reduce the long-term growth in
168 state expenditures for the Medicaid program, and to each fiscal year after that year.

169 (4) The Division of Finance shall calculate the amount to be transferred under
170 Subsection (3):

171 (a) before transferring revenue from the General Fund revenue surplus to:

172 (i) the General Fund Budget Reserve Account under Section [63J-1-312](#);

173 (ii) the Wildland Fire Suppression Fund created in Section [65A-8-204](#), as described in
174 Section [63J-1-314](#); ~~and~~

175 (iii) the State Disaster Recovery Restricted Account under Section [63J-1-314](#); and

176 (iv) the Services for People with Disabilities Perpetual Trust Fund under Subsection
177 [26B-1-336\(5\)](#);

178 (b) before earmarking revenue from the General Fund revenue surplus to the Industrial
179 Assistance Account under Section [63N-3-106](#); and

180 (c) before making any other year-end contingency appropriations, year-end set-asides,

181 or other year-end transfers required by law.

182 (5) (a) If, at the close of any fiscal year, there appears to be insufficient money to pay
183 additional debt service for any bonded debt authorized by the Legislature, the Division of
184 Finance may hold back from any General Fund revenue surplus money sufficient to pay the
185 additional debt service requirements resulting from issuance of bonded debt that was
186 authorized by the Legislature.

187 (b) The Division of Finance may not spend the hold back amount for debt service
188 under Subsection (5)(a) unless and until it is appropriated by the Legislature.

189 (c) If, after calculating the amount for transfer under Subsection (3), the remaining
190 General Fund revenue surplus is insufficient to cover the hold back for debt service required by
191 Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth
192 Reduction and Budget Stabilization Account by the amount necessary to cover the debt service
193 hold back.

194 (d) Notwithstanding Subsections (3) and (4), the Division of Finance shall hold back
195 the General Fund balance for debt service authorized by this Subsection (5) before making any
196 transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other
197 designation or allocation of General Fund revenue surplus.

198 (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division
199 of Finance determines that an operating deficit exists and that holding back earmarks to the
200 Industrial Assistance Account under Section [63N-3-106](#), transfers to the Services for People
201 with Disabilities Perpetual Trust Fund under Section [26B-1-336](#), transfers to the Wildland Fire
202 Suppression Fund and State Disaster Recovery Restricted Account under Section [63J-1-314](#),
203 transfers to the General Fund Budget Reserve Account under Section [63J-1-312](#), or earmarks
204 and transfers to more than one of those accounts, in that order, does not eliminate the operating
205 deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and
206 Budget Stabilization Account by the amount necessary to eliminate the operating deficit.

207 (7) The Legislature may appropriate money from the Medicaid Growth Reduction and
208 Budget Stabilization Account only:

209 (a) if Medicaid program expenditures for the fiscal year for which the appropriation is
210 made are estimated to be 108% or more of Medicaid program expenditures for the previous
211 year; and

212 (b) for the Medicaid program.

213 (8) The Division of Finance shall deposit interest or other earnings derived from
214 investment of Medicaid Growth Reduction and Budget Stabilization Account money into the
215 General Fund.

216 Section 4. Section **63N-3-106** is amended to read:

217 **63N-3-106. Structure of loans, grants, and assistance -- Repayment -- Earned**
218 **credits.**

219 (1) (a) Subject to Subsection (1)(b), the administrator has authority to determine the
220 structure, amount, and nature of any loan, grant, or other financial assistance from the restricted
221 account.

222 (b) Loans made under this part shall be structured so the intended repayment or return
223 to the state, including cash or credit, equals at least the amount of the assistance together with
224 an annual interest charge as negotiated by the administrator.

225 (c) Payments resulting from grants awarded from the restricted account shall be made
226 only after the administrator has determined that the company has satisfied the conditions upon
227 which the payment or earned credit was based.

228 (2) (a) The administrator may provide for a system of earned credits that may be used
229 to support grant payments or in lieu of cash repayment of a restricted account loan obligation.

230 (b) The value of the credits described in Subsection (2)(a) shall be based on factors
231 determined by the administrator, including:

232 (i) the number of Utah jobs created;

233 (ii) the increased economic activity in Utah; or

234 (iii) other events and activities that occur as a result of the restricted account assistance.

235 (3) (a) A cash loan repayment or other cash recovery from a company receiving
236 assistance under this section, including interest, shall be deposited into the restricted account.

237 (b) The administrator and the Division of Finance shall determine the manner of
238 recognizing and accounting for the earned credits used in lieu of loan repayments or to support
239 grant payments as provided in Subsection (2).

240 (4) (a) (i) At the end of each fiscal year, the Division of Finance shall set aside the
241 balance of the General Fund revenue surplus as defined in Section [63J-1-312](#) after the transfers
242 of General Fund revenue surplus described in Subsection (4)(b) to the Industrial Assistance

243 Account in an amount equal to any credit that has accrued under this part.

244 (ii) The set aside under Subsection (4)(a)(i) shall be capped at \$50,000,000, at which
245 time no subsequent contributions may be made and any interest accrued above the \$50,000,000
246 cap shall be deposited into the General Fund.

247 (b) The set aside required by Subsection (4)(a) shall be made after the transfer of
248 surplus General Fund revenue surplus is made to:

249 (i) [~~to~~] the Medicaid Growth Reduction and Budget Stabilization Restricted Account,
250 as provided in Section [63J-1-315](#);

251 (ii) [~~to~~] the General Fund Budget Reserve Account, as provided in Section [63J-1-312](#);
252 [~~and~~]

253 (iii) [~~to~~] the Wildland Fire Suppression Fund [~~or~~] and State Disaster Recovery
254 Restricted Account, as provided in Section [63J-1-314](#); and

255 (iv) the Services for People with Disabilities Perpetual Trust Fund, as provided in
256 Subsection [26B-1-336\(5\)](#).

257 (c) These credit amounts may not be used for purposes of the restricted account as
258 provided in this part until appropriated by the Legislature.

259 **Section 5. FY 2025 Appropriation.**

260 The following sums of money are appropriated for the fiscal year beginning July 1,
261 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
262 fiscal year 2025.

263 **Subsection 5(a). Operating and Capital Budgets.**

264 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
265 Legislature appropriates the following sums of money from the funds or accounts indicated for
266 the use and support of the government of the state of Utah.

267 ITEM 1 To Department of Health and Human Services - Long-Term Services & Support

268 From Income Tax Fund, One-time \$20,000,000

269 Schedule of Programs:

270 Community Supports Waiver Services \$20,000,000

271 The Legislature intends that \$10,000,000 provided by this item not lapse at the close of fiscal
272 year 2025 and shall be used for community supports waiver services in fiscal year 2026.

273 **Subsection 5(b). Restricted Fund and Account Transfers.**

274 The Legislature authorizes the State Division of Finance to transfer the following
 275 amounts between the following funds or accounts as indicated. Expenditures and outlays from
 276 the funds to which the money is transferred must be authorized by an appropriation.

277 ITEM 2 To Services for People with Disabilities Perpetual Trust Fund

278 From General Fund, One-time \$400,000,000

279 Schedule of Programs:

280 Services for People with Disabilities \$400,000,000

Perpetual Trust Fund

281 Subsection 5(c). **Transfers to Unrestricted Funds.**

282 The Legislature authorizes the State Division of Finance to transfer the following
 283 amounts to the unrestricted General Fund, Income Tax Fund, or Uniform School Fund, as
 284 indicated, from the restricted funds or accounts indicated. Expenditures and outlays from the
 285 General Fund, Income Tax Fund, or Uniform School Fund must be authorized by an
 286 appropriation.

287 ITEM 3 To Income Tax Fund

288 From American Rescue Plan Act Administrative Fund, One-time \$20,000,000

289 Schedule of Programs:

290 Income Tax Fund, One-time \$20,000,000

291 Subsection 5(d). **Capital Project Funds.**

292 The Legislature has reviewed the following capital project funds. The Legislature
 293 authorizes the State Division of Finance to transfer amounts between funds and accounts as
 294 indicated.

295 ITEM 4 To Transportation - Transportation Investment Fund of 2005

296 From General Fund, One-time (\$400,000,000)

297 Schedule of Programs:

298 Transportation Investment Fund (\$400,000,000)

299 Section 6. **Effective date.**

300 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

301 (2) The actions affecting Section 5, FY 2025 Appropriation, take effect on July 1,
302 2024.