

Representative Kay J. Christofferson 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 - Services for People with Disabilities Perpetual Trust Fund as a one-time appropriation:
 - from the General Fund, One-time, (\$59,861,100)



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

- 28 • from the General Fund, \$59,861,100

29 ▶ to Department of Health and Human Services - Medicaid Expansion Fund as an
30 ongoing appropriation:

- 31 • from the General Fund, (\$59,861,100)

32 ▶ to Department of Health and Human Services - Medicaid Expansion Fund as a
33 one-time appropriation:

- 34 • from the General Fund, One-time, \$59,861,100

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

- 38 • from the Income Tax Fund, One-time, \$20,000,000

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

- 40 • from the American Rescue Plan Act Administrative Fund, One-time,
41 \$20,000,000

42 **Other Special Clauses:**

43 None

44 **Utah Code Sections Affected:**

45 AMENDS:

46 **51-7-2**, as last amended by Laws of Utah 2023, Chapters 139, 242 and 328

47 **63J-1-315**, as last amended by Laws of Utah 2023, Chapter 329

48 **63N-3-106**, as last amended by Laws of Utah 2023, Chapter 499

49 ENACTS:

50 **26B-1-336**, Utah Code Annotated 1953



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

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

54 **26B-1-336. Services for People with Disabilities Perpetual Trust Fund.**

55 (1) As used in this section:

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

57 Section 26B-6-402.

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

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

62 (i) trust corpus; and

63 (ii) prior earnings on deposit or investment.

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

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

69 (3) The Legislature may appropriate funds to the Services for People with Disabilities
70 Trust Fund to fund division services to people with disabilities.

71 (4) During a fiscal year for which the beginning balance in the trust fund is greater than
72 \$400,000,000, the department or division shall expend an amount of up to 50% of trust
73 earnings from the prior fiscal year, to serve individuals who:

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

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

76 (5) (a) The state treasurer shall:

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

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

81 (b) The state treasurer may:

82 (i) deduct, before depositing trust earnings into the trust fund, any administrative costs
83 incurred under Subsection (5)(a); and

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

87 (6) (a) (i) Subject to Subsection (6)(b), at the end of the fiscal years ending June 30,

88 2024 and 2025, the Division of Finance shall transfer 5% of the General Fund revenue surplus
89 to the trust fund.

90 (ii) The Division of Finance shall calculate the amount to be transferred under this
91 Subsection (6)(a):

92 (A) after the transfer of General Fund revenue surplus has been made to the Wildland
93 Fire Suppression Fund and State Disaster Recovery Restricted Account, as provided in Section
94 63J-1-314; and

95 (B) before the set aside to the Industrial Assistance Account under Section 63N-3-106.

96 (b) Notwithstanding Subsection (6)(a), if, at the end of a fiscal year, the Division of
97 Finance determines that there is an operating deficit, as defined in Section 63J-1-314, the
98 division shall reduce the transfer to the trust fund by an amount necessary to eliminate the
99 operating deficit, up to the full amount of the transfer.

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

101 **51-7-2. Exemptions from chapter.**

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

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

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

108 (c) funds of the Utah Housing Corporation;

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

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

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

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

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

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

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

- 119 (k) the funds in the Employers' Reinsurance Fund;
- 120 (l) the funds in the Uninsured Employers' Fund;
- 121 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in
- 122 Section [26B-1-331](#);
- 123 (n) the funds in the Risk Management Fund created in Section [63A-4-201](#); [~~and~~]
- 124 (o) the Utah fund of funds created in Section [63N-6-401](#)[:]; and
- 125 (p) the Services for People with Disabilities Perpetual Trust Fund created in Section
- 126 [26B-1-336](#).

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

128 Savings Plan, the funds described in Subsection (1) are not exempt from Subsections

129 [51-7-14](#)(2) and (3).

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

131 **63J-1-315. Medicaid Growth Reduction and Budget Stabilization Account --**

132 **Transfers of Medicaid growth savings -- Base budget adjustments.**

133 (1) As used in this section:

134 (a) "Department" means the Department of Health and Human Services created in

135 Section [26B-1-201](#).

136 (b) "Division" means the Division of Integrated Healthcare created in Section

137 [26B-3-102](#).

138 (c) "General Fund revenue surplus" means a situation where actual General Fund

139 revenues collected in a completed fiscal year exceed the estimated revenues for the General

140 Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the

141 Legislature.

142 (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid

143 program expenditures, if Medicaid program expenditures are less than the Medicaid growth

144 target.

145 (e) "Medicaid growth target" means Medicaid program expenditures for the previous

146 year multiplied by 1.08.

147 (f) "Medicaid program" is as defined in Section [26B-3-101](#).

148 (g) "Medicaid program expenditures" means total state revenue expended for the

149 Medicaid program from the General Fund, including restricted accounts within the General

150 Fund, during a fiscal year.

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

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

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

158 (k) "State revenue expended for the Medicaid program" includes money transferred or
159 appropriated to the Medicaid Growth Reduction and Budget Stabilization Account only to the
160 extent the money is appropriated for the Medicaid program by the Legislature.

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

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

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

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

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

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

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

- 181 (i) the General Fund Budget Reserve Account under Section [63J-1-312](#);
- 182 (ii) the Wildland Fire Suppression Fund created in Section [65A-8-204](#), as described in
183 Section [63J-1-314](#); [~~and~~]
- 184 (iii) the State Disaster Recovery Restricted Account under Section [63J-1-314](#); and
- 185 (iv) the Services for People with Disabilities Perpetual Trust Fund under Subsection
186 [26B-1-336\(5\)](#);
- 187 (b) before earmarking revenue from the General Fund revenue surplus to the Industrial
188 Assistance Account under Section [63N-3-106](#); and
- 189 (c) before making any other year-end contingency appropriations, year-end set-asides,
190 or other year-end transfers required by law.
- 191 (5) (a) If, at the close of any fiscal year, there appears to be insufficient money to pay
192 additional debt service for any bonded debt authorized by the Legislature, the Division of
193 Finance may hold back from any General Fund revenue surplus money sufficient to pay the
194 additional debt service requirements resulting from issuance of bonded debt that was
195 authorized by the Legislature.
- 196 (b) The Division of Finance may not spend the hold back amount for debt service
197 under Subsection (5)(a) unless and until it is appropriated by the Legislature.
- 198 (c) If, after calculating the amount for transfer under Subsection (3), the remaining
199 General Fund revenue surplus is insufficient to cover the hold back for debt service required by
200 Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth
201 Reduction and Budget Stabilization Account by the amount necessary to cover the debt service
202 hold back.
- 203 (d) Notwithstanding Subsections (3) and (4), the Division of Finance shall hold back
204 the General Fund balance for debt service authorized by this Subsection (5) before making any
205 transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other
206 designation or allocation of General Fund revenue surplus.
- 207 (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division
208 of Finance determines that an operating deficit exists and that holding back earmarks to the
209 Industrial Assistance Account under Section [63N-3-106](#), transfers to the Services for People
210 with Disabilities Perpetual Trust Fund under Section [26B-1-336](#), transfers to the Wildland Fire
211 Suppression Fund and State Disaster Recovery Restricted Account under Section [63J-1-314](#),

212 transfers to the General Fund Budget Reserve Account under Section 63J-1-312, or earmarks
213 and transfers to more than one of those accounts, in that order, does not eliminate the operating
214 deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and
215 Budget Stabilization Account by the amount necessary to eliminate the operating deficit.

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

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

221 (b) for the Medicaid program.

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

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

226 **63N-3-106. Structure of loans, grants, and assistance -- Repayment -- Earned**
227 **credits.**

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

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

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

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

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

241 (i) the number of Utah jobs created;

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

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

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

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

249 (4) (a) (i) At the end of each fiscal year, the Division of Finance shall set aside the
250 balance of the General Fund revenue surplus as defined in Section 63J-1-312 after the transfers
251 of General Fund revenue surplus described in Subsection (4)(b) to the Industrial Assistance
252 Account in an amount equal to any credit that has accrued under this part.

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

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

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

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

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

264 (iv) the Services for People with Disabilities Perpetual Trust Fund, as provided in
265 Subsection 26B-1-336(5).

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

268 **Section 5. FY 2025 Appropriation.**

269 The following sums of money are appropriated for the fiscal year beginning July 1,
270 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
271 fiscal year 2025.

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

273 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the

274 Legislature appropriates the following sums of money from the funds or accounts indicated for
275 the use and support of the government of the state of Utah.

276 ITEM 1 To Department of Health and Human Services - Services for People with
277 Disabilities Perpetual Trust Fund

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

279 Schedule of Programs:

280 Services for People with Disabilities \$20,000,000
281 Perpetual Trust Fund

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

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

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

286 From General Fund, One-time (\$59,861,100)

287 From General Fund \$59,861,100

288

289 The Legislature intends that the Office of the Legislative Fiscal Analyst, when preparing base
290 budgets for the 2026 General Session, make this General Fund deposit into the Services for
291 People with Disabilities Perpetual Trust Fund one-time in fiscal year 2027, and move the
292 ongoing General Fund appropriation back to the Medicaid Expansion Fund, offset by a
293 one-time reduction in fiscal year 2027 only.

294 ITEM 3 To Medicaid Expansion Fund

295 From General Fund, One-time \$59,861,100

296 From General Fund (\$59,861,100)

297

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

299 The Legislature authorizes the State Division of Finance to transfer the following
300 amounts to the unrestricted General Fund, Income Tax Fund, or Uniform School Fund, as
301 indicated, from the restricted funds or accounts indicated. Expenditures and outlays from the

302 General Fund, Income Tax Fund, or Uniform School Fund must be authorized by an
303 appropriation.

304 ITEM 4 To Income Tax Fund

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

306 Schedule of Programs:

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

308 Section 6. **Effective date.**

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

310 (2) The actions affecting Section 5, FY 2025 Appropriation, take effect on July 1,

311 2024.