

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, \$5,000,000



- 26 • from the General Fund, One-time, (\$5,000,000)
- 27 ▶ to Department of Health and Human Services - Services for People with Disabilities

28 Perpetual Trust Fund as an ongoing appropriation:

- 29 • from the General Fund, \$54,861,100
- 30 ▶ to Department of Health and Human Services - Services for People with Disabilities

31 Perpetual Trust Fund as a one-time appropriation:

- 32 • from the General Fund, One-time, (\$54,861,100)
- 33 • from the American Rescue Plan Act Administrative Fund, One-time,

34 \$15,000,000

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

- 36 • from the American Rescue Plan Act Administrative Fund, One-time,
- 37 \$5,000,000

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

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

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

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

- 44 ▶ to Department of Health and Human Services - Long-Term Services & Support -
- 45 Community Supports Waiver Services as an ongoing appropriation:

- 46 • from the General Fund, \$5,000,000

47 **Other Special Clauses:**

48 None

49 **Utah Code Sections Affected:**

50 AMENDS:

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

52 **63J-1-315**, as last amended by Laws of Utah 2023, Chapter 329

53 **63N-3-106**, as last amended by Laws of Utah 2023, Chapter 499

54 ENACTS:

55 **26B-1-336**, Utah Code Annotated 1953

56

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

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

59 **26B-1-336. Services for People with Disabilities Perpetual Trust Fund.**

60 (1) As used in this section:

61 (a) "Division" means the Division of Services for People with Disabilities created in
62 Section [26B-6-402](#).

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

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

67 (i) trust corpus; and

68 (ii) prior earnings on deposit or investment.

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

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

74 (3) During a fiscal year for which the beginning balance in the trust fund is greater than
75 \$400,000,000, the department or division shall expend an amount of up to 50% of trust
76 earnings from the prior fiscal year, to serve individuals who:

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

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

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

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

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

84 (b) The state treasurer may:

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

87 (ii) employ and compensate professional asset managers to assist in the management

88 and investment of assets in the trust fund, only if the compensation is paid solely with trust
89 earnings.

90 (5) (a) (i) Subject to Subsection (5)(b), at the end of the fiscal years ending June 30,
91 2024 and 2025, the Division of Finance shall transfer 5% of the General Fund revenue surplus
92 to the trust fund.

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

95 (A) after the transfer of General Fund revenue surplus has been made to the Wildland
96 Fire Suppression Fund and State Disaster Recovery Restricted Account, as provided in Section
97 63J-1-314; and

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

99 (b) Notwithstanding Subsection (5)(a), if, at the end of a fiscal year, the Division of
100 Finance determines that there is an operating deficit, as defined in Section 63J-1-314, the
101 division shall reduce the transfer to the trust fund by an amount necessary to eliminate the
102 operating deficit, up to the full amount of the transfer.

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

104 **51-7-2. Exemptions from chapter.**

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

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

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

111 (c) funds of the Utah Housing Corporation;

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

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

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

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

118 (h) funds of the permanent state trust fund created by and operated under Utah

119 Constitution, Article XXII, Section 4;

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

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

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

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

124 (m) the Utah State Developmental Center Long-Term Sustainability Fund, created in

125 Section [26B-1-331](#);

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

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

128 (p) the Services for People with Disabilities Perpetual Trust Fund created in Section

129 [26B-1-336](#).

130 (2) Except for the funds of the Utah State Retirement Board and the Utah Educational
131 Savings Plan, the funds described in Subsection (1) are not exempt from Subsections
132 [51-7-14](#)(2) and (3).

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

134 **63J-1-315. Medicaid Growth Reduction and Budget Stabilization Account --**
135 **Transfers of Medicaid growth savings -- Base budget adjustments.**

136 (1) As used in this section:

137 (a) "Department" means the Department of Health and Human Services created in
138 Section [26B-1-201](#).

139 (b) "Division" means the Division of Integrated Healthcare created in Section
140 [26B-3-102](#).

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

145 (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid
146 program expenditures, if Medicaid program expenditures are less than the Medicaid growth
147 target.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

188 (iv) the Services for People with Disabilities Perpetual Trust Fund under Subsection
189 [26B-1-336\(5\)](#);

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

192 (c) before making any other year-end contingency appropriations, year-end set-asides,
193 or other year-end transfers required by law.

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

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

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

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

210 (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division
211 of Finance determines that an operating deficit exists and that holding back earmarks to the

212 Industrial Assistance Account under Section [63N-3-106](#), transfers to the Services for People
213 with Disabilities Perpetual Trust Fund under Section [26B-1-336](#), transfers to the Wildland Fire
214 Suppression Fund and State Disaster Recovery Restricted Account under Section [63J-1-314](#),
215 transfers to the General Fund Budget Reserve Account under Section [63J-1-312](#), or earmarks
216 and transfers to more than one of those accounts, in that order, does not eliminate the operating
217 deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and
218 Budget Stabilization Account by the amount necessary to eliminate the operating deficit.

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

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

224 (b) for the Medicaid program.

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

228 Section 4. Section [63N-3-106](#) is amended to read:

229 **[63N-3-106. Structure of loans, grants, and assistance -- Repayment -- Earned](#)**
230 **credits.**

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

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

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

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

242 (b) The value of the credits described in Subsection (2)(a) shall be based on factors

243 determined by the administrator, including:

244 (i) the number of Utah jobs created;

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

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

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

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

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

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

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

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

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

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

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

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

271 Section 5. **FY 2025 Appropriation.**

272 The following sums of money are appropriated for the fiscal year beginning July 1,
273 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for

274 fiscal year 2025.

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

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

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

280 From General Fund, One-time (\$5,000,000)

281 From General Fund \$5,000,000

282 From Income Tax Fund, One-time \$5,000,000

283 Schedule of Programs:

284 Community Supports Waiver Services \$5,000,000

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

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

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

290 From General Fund, One-time (\$54,861,100)

291 From General Fund \$54,861,100

292 From American Rescue Plan Act Administrative Fund, One-time \$15,000,000

293 Schedule of Programs:

294 Services for People with Disabilities \$15,000,000

Perpetual Trust Fund

295 The Legislature intends that the Legislative Fiscal Analyst, when preparing the base budgets for
296 fiscal year 2026, make \$49,861,100 of the above ongoing General Fund appropriation one-time
297 in fiscal year 2026.

298 ITEM 3 To Medicaid Expansion Fund

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

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

301

302 The Legislature intends that the Legislative Fiscal Analyst, when preparing the base budgets for
303 fiscal year 2026, make (\$49,861,100) of the above ongoing General Fund appropriation

304 one-time in fiscal year 2026.

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

306 The Legislature authorizes the State Division of Finance to transfer the following
307 amounts to the unrestricted General Fund, Income Tax Fund, or Uniform School Fund, as
308 indicated, from the restricted funds or accounts indicated. Expenditures and outlays from the
309 General Fund, Income Tax Fund, or Uniform School Fund must be authorized by an
310 appropriation.

311 ITEM 4 To Income Tax Fund

312 From American Rescue Plan Act Administrative Fund, One-time \$5,000,000

313 Schedule of Programs:

314 Income Tax Fund, One-time \$5,000,000

315 Section 6. **Effective date.**

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

317 (2) The actions affecting Section 5, FY 2025 Appropriation, take effect on July 1,
318 2024.