

HB 231
Review and Approval of Federal Monies Received by the State
Governor's Office of Planning and Budget
Effective Date: May 3, 2004

HB 231 applies to: (63-38e-101)

- “Agency” – includes state departments, divisions, committees, commissions, councils, courts or other subunits including executive branch and judicial branch entities.
- This act does NOT apply to higher education institutions or political subdivisions.

Entities that are exempt from the provisions of HB231: (63-28e-102)

- Higher Education
- Medicaid
- WIC
- CHIP
- Temporary Assistance to Needy Families
- Social Security Act monies
- Substance Abuse Prevention and Treatment programs
- Child Care block grants
- Food Stamps administration and training
- Unemployment Insurance Operations
- Federal Highway Administration
- Utah National Guard
- Pass-through federal funds
- Federal funds subsequent to a state of emergency

“New Federal Funds” as defined in HB 231: (63-38e-101)

1. Federal assistance/funds the state is not currently receiving;
2. A federal assistance program in which the state is not currently participating; and
3. Each federal reauthorization that would require the state to (a) add additional permanent full or part-time employees, (b) increase the amount of state matching fund required, or (c) comply with new requirements in order to receive federal funds.

“New State Monies” as defined in HB 231: 963-38e-101

Monies, whether specifically appropriated by the legislature or not, that the federal government requires Utah to expend as a condition for receiving federal funds or participating in the federal program. New state monies also applies to monies expended to meet federal “maintenance of effort” requirements.

Information that agencies will need to provide under HB 231: (63-38e-101)

1. the amount of money being requested or that is available to the state from the federal government for each reauthorization or new federal funds request.
2. Detailed amounts of federal funds reauthorizations and new federal funds requests included in the agency’s proposed budget for the fiscal year.
3. The amount of new state monies, if any, required to receive the federal funds (including the source of all direct, indirect, or in-kind matching funds).

4. The number of additional permanent full-time or part-time employees (or combination thereof) if any, needed in order to receive federal funds or participate in the federal program.
5. A list of any requirements the state must meet as a condition for receiving the federal funds or participating in the federal program.

The new approval process for receiving federal monies:

- Seeking approval to apply for and receive federal monies will remain much the same as GOPB's current process. (Please continue to use GOPB's "Federal Assistance Application –Budget Impact Form" located at our web-site: <http://governor.utah.gov/gopb>)
- Non-Judicial state agencies should continue to forward all federal funds requests through GOPB regardless of the amount of the request or the level of approval required.
- Timing is key: "Before obligating the state to accept or receive new federal funds or to participate in a new federal program...and no later than three months after submitting a federal funds request, and where possible, before formally submitting a federal funds request..."
- HB 231 did establish a new three-tiered approval system as outlined below:

LOW: (63-38c-204)

- a) \$1.0 million per year or less in federal funds;
 - b) No new permanent full-time or part-time employees;
 - c) No new state monies required for match.
- (Review and recommendation at the GOPB or judicial Council level only).

MEDIUM: (63-38c-204)

- a) More than \$1.0 million but less than \$10 million per year in federal funds;
- b) Require the state to add more than -0- but less than 11 permanent full or part-time employees.
- c) Require the state to expend \$1 to \$10 million of new state monies in a fiscal year as match.

(Review and recommendation by GOPB or Judicial Council followed by review and recommendation by Legislative Executive Appropriations Committee).

HIGH: (63-38c-204)

- a) \$10 million or more per year in federal funds;
 - b) Require the state to add 11 or more permanent full or part-time employees;
 - c) Require the state to expend more than \$1.0 million per year in new state monies as match.
- (Review and recommendation by GOPB or Judicial Council followed by review and recommendation by the entire legislature. This option may require the Governor to call a special session).

Final Thoughts:

- As much as possible include all federal funds request in your annual GOPB budget submission documents.
- Remember continuation grants (reauthorizations) are no longer automatic.
- Don't delay – the new requirement of legislative approval may endanger your ability to obtain federal funds in a timely fashion.