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**FEDERAL FUNDS CONTINGENCY PLANNING**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ken Ivory**

Senate Sponsor: Michael S. Kennedy

Cosponsor:	Kay J. Christofferson	Stephen L. Whyte
Carl R. Albrecht	Trevor Lee	
Stewart E. Barlow	Keven J. Stratton	

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**LONG TITLE**

**General Description:**

This bill addresses contingency planning related to federal funds.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ requires a state agency to provide a contingency disclosure and plan, and a state jurisdiction evaluation, when submitting a federal funds reauthorization or a new federal funds request above a certain threshold;
- ▶ requires a state agency that meets certain thresholds for federal funding to create a contingency plan related to that funding;
- ▶ repeals provisions regarding federal receipts reporting requirements; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**26B-3-130**, as last amended by Laws of Utah 2023, Chapter 16 and renumbered and amended by Laws of Utah 2023, Chapter 306

24 **63J-5-102**, as last amended by Laws of Utah 2018, Chapter 467

25 **63J-5-103**, as last amended by Laws of Utah 2017, Chapter 247

26 **63J-5-204**, as last amended by Laws of Utah 2016, Chapter 272

27 ENACTS:

28 **63J-5-301**, as Utah Code Annotated 1953

29 **63J-5-302**, as Utah Code Annotated 1953

30 REPEALS:

31 **63J-1-219**, as last amended by Laws of Utah 2022, Chapter 447

32 **63J-5-101**, as enacted by Laws of Utah 2008, Chapter 382

33

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

35 Section 1. Section **26B-3-130** is amended to read:

36 **26B-3-130 . Medicaid intergovernmental transfer report -- Approval**  
 37 **requirements.**

38 (1) As used in this section:

39 (a) (i) "Intergovernmental transfer" means the transfer of public funds from:

40 (A) a local government entity to another nonfederal governmental entity; or

41 (B) from a nonfederal, government owned health care facility regulated under  
 42 Chapter 2, Part 2, Health Care Facility Licensing and Inspection, to another  
 43 nonfederal governmental entity.

44 (ii) "Intergovernmental transfer" does not include:

45 (A) the transfer of public funds from one state agency to another state agency; or

46 (B) a transfer of funds from the University of Utah Hospitals and Clinics.

47 (b) (i) "Intergovernmental transfer program" means a federally approved  
 48 reimbursement program or category that is authorized by the Medicaid state plan  
 49 or waiver authority for intergovernmental transfers.

50 (ii) "Intergovernmental transfer program" does not include the addition of a provider  
 51 to an existing intergovernmental transfer program.

52 (c) "Local government entity" means a county, city, town, special service district,  
 53 special district, or local education agency as that term is defined in Section 63J-5-102.

54 (d) "Non-state government entity" means a hospital authority, hospital district, health  
 55 care district, special service district, county, or city.

56 (2) (a) An entity that receives federal Medicaid dollars from the department as a result of  
 57 an intergovernmental transfer shall, on or before August 1, 2017, and on or before

- 58 August 1 each year thereafter, provide the department with:
- 59 (i) information regarding the payments funded with the intergovernmental transfer as  
60 authorized by and consistent with state and federal law;
- 61 (ii) information regarding the entity's ability to repay federal funds, to the extent  
62 required by the department in the contract for the intergovernmental transfer; and
- 63 (iii) other information reasonably related to the intergovernmental transfer that may  
64 be required by the department in the contract for the intergovernmental transfer.
- 65 (b) On or before October 15, 2017, and on or before October 15 each subsequent year,  
66 the department shall prepare a report for the Executive Appropriations Committee  
67 that includes:
- 68 (i) the amount of each intergovernmental transfer under Subsection (2)(a);
- 69 (ii) a summary of changes to CMS regulations and practices that are known by the  
70 department regarding federal funds related to an intergovernmental transfer  
71 program; and
- 72 (iii) other information the department gathers about the intergovernmental transfer  
73 under Subsection (2)(a).
- 74 (3) The department shall not create a new intergovernmental transfer program after July 1,  
75 2017, unless the department reports to the Executive Appropriations Committee, in  
76 accordance with Section 63J-5-206, before submitting the new intergovernmental  
77 transfer program for federal approval. The report shall include information required by  
78 Subsection [~~63J-5-102(1)(d)~~] 63J-5-102(1)(e) and the analysis required in Subsections  
79 (2)(a) and (b).
- 80 (4) (a) The department shall enter into new Nursing Care Facility Non-State  
81 Government-Owned Upper Payment Limit program contracts and contract  
82 amendments adding new nursing care facilities and new non-state government entity  
83 operators in accordance with this Subsection (4).
- 84 (b) (i) If the nursing care facility expects to receive less than \$1,000,000 in federal  
85 funds each year from the Nursing Care Facility Non-State Government-Owned  
86 Upper Payment Limit program, excluding seed funding and administrative fees  
87 paid by the non-state government entity, the department shall enter into a Nursing  
88 Care Facility Non-State Government-Owned Upper Payment Limit program  
89 contract with the non-state government entity operator of the nursing care facility.
- 90 (ii) If the nursing care facility expects to receive between \$1,000,000 and  
91 \$10,000,000 in federal funds each year from the Nursing Care Facility Non-State

92 Government-Owned Upper Payment Limit program, excluding seed funding and  
93 administrative fees paid by the non-state government entity, the department shall  
94 enter into a Nursing Care Facility Non-State Government-Owned Upper Payment  
95 Limit program contract with the non-state government entity operator of the  
96 nursing care facility after receiving the approval of the Executive Appropriations  
97 Committee.

98 (iii) If the nursing care facility expects to receive more than \$10,000,000 in federal  
99 funds each year from the Nursing Care Facility Non-State Government-Owned  
100 Upper Payment Limit program, excluding seed funding and administrative fees  
101 paid by the non-state government entity, the department may not approve the  
102 application without obtaining approval from the Legislature and the governor.

103 (c) A non-state government entity may not participate in the Nursing Care Facility  
104 Non-State Government-Owned Upper Payment Limit program unless the non-state  
105 government entity is a special service district, county, or city that operates a hospital  
106 or holds a license under Chapter 2, Part 2, Health Care Facility Licensing and  
107 Inspection.

108 (d) Each non-state government entity that participates in the Nursing Care Facility  
109 Non-State Government-Owned Upper Payment Limit program shall certify to the  
110 department that:

111 (i) the non-state government entity is a local government entity that is able to make  
112 an intergovernmental transfer under applicable state and federal law;

113 (ii) the non-state government entity has sufficient public funds or other permissible  
114 sources of seed funding that comply with the requirements in 42 C.F.R. Part 433,  
115 Subpart B;

116 (iii) the funds received from the Nursing Care Facility Non-State  
117 Government-Owned Upper Payment Limit program are:

118 (A) for each nursing care facility, available for patient care until the end of the  
119 non-state government entity's fiscal year; and

120 (B) used exclusively for operating expenses for nursing care facility operations,  
121 patient care, capital expenses, rent, royalties, and other operating expenses; and

122 (iv) the non-state government entity has completed all licensing, enrollment, and  
123 other forms and documents required by federal and state law to register a change  
124 of ownership with the department and with CMS.

125 (5) The department shall add a nursing care facility to an existing Nursing Care Facility

- 126 Non-State Government-Owned Upper Payment Limit program contract if:
- 127 (a) the nursing care facility is managed by or affiliated with the same non-state
- 128 government entity that also manages one or more nursing care facilities that are
- 129 included in an existing Nursing Care Facility Non-State Government-Owned Upper
- 130 Payment Limit program contract; and
- 131 (b) the non-state government entity makes the certification described in Subsection
- 132 (4)(d)(ii).
- 133 (6) The department may not increase the percentage of the administrative fee paid by a
- 134 non-state government entity to the department under the Nursing Care Facility
- 135 Non-State Government-Owned Upper Payment Limit program.
- 136 (7) The department may not condition participation in the Nursing Care Facility Non-State
- 137 Government-Owned Upper Payment Limit program on:
- 138 (a) a requirement that the department be allowed to direct or determine the types of
- 139 patients that a non-state government entity will treat or the course of treatment for a
- 140 patient in a non-state government nursing care facility; or
- 141 (b) a requirement that a non-state government entity or nursing care facility post a bond,
- 142 purchase insurance, or create a reserve account of any kind.
- 143 (8) The non-state government entity shall have the primary responsibility for ensuring
- 144 compliance with Subsection (4)(d)(ii).
- 145 (9) (a) The department may not enter into a new Nursing Care Facility Non-State
- 146 Government-Owned Upper Payment Limit program contract before January 1, 2019.
- 147 (b) Subsection (9)(a) does not apply to:
- 148 (i) a new Nursing Care Facility Non-State Government-Owned Upper Payment Limit
- 149 program contract that was included in the federal funds request summary under
- 150 Section 63J-5-201 for fiscal year 2018; or
- 151 (ii) a nursing care facility that is operated or managed by the same company as a
- 152 nursing care facility that was included in the federal funds request summary under
- 153 Section 63J-5-201 for fiscal year 2018.
- 154 Section 2. Section **63J-5-102** is amended to read:
- 155 **63J-5-102 . Definitions.**
- 156 (1) As used in this chapter:
- 157 (a) (i) "Agency" means a department, division, committee, commission, council,
- 158 court, or other administrative subunit of the state.
- 159 (ii) "Agency" includes:

- 160 (A) executive branch entities;
- 161 (B) judicial branch entities; and
- 162 (C) the State Board of Education.
- 163 (iii) "Agency" does not mean higher education institutions or political subdivisions.
- 164 (b) "Contingency disclosure and plan" means, with respect to a federal funds
- 165 reauthorization or new federal funds request, the submitting or requesting agency's:
- 166 (i) disclosure of:
- 167 (A) the likelihood that the amount or value of the federal funds will be reduced,
- 168 and how that likelihood changes over time; and
- 169 (B) the likelihood that the federal funds will become unavailable, and how that
- 170 likelihood changes over time;
- 171 (ii) explanation of:
- 172 (A) whether accepting the federal funds may create an expectation of ongoing
- 173 funding by any beneficiary of the funds; and
- 174 (B) as applicable, how the agency will communicate to stakeholders that services
- 175 funded by the federal funds may or will be temporary;
- 176 (iii) plan for how the agency will:
- 177 (A) proceed if the amount or value of the federal funds are unexpectedly reduced
- 178 in any material degree or amount;
- 179 (B) proceed if the federal funds become unavailable unexpectedly;
- 180 (C) wind down the program or services funded by the federal funds when the
- 181 federal funds are exhausted; and
- 182 (D) transition any beneficiaries of the funds to a different program or service
- 183 provider if the agency is unable to continue providing the same program or
- 184 services due to a decrease or loss of federal funds; and
- 185 (iv) designation of the federal funds and the program or purpose for which the funds
- 186 will be used as either:
- 187 (A) mandatory under federal or state law;
- 188 (B) high priority; or
- 189 (C) low priority.
- 190 ~~(b)~~ (c) (i) "Federal funds" means cash or other money received from the United
- 191 States government or from other individuals or entities for or on behalf of the
- 192 United States and deposited with the state treasurer or any agency of the state.
- 193 (ii) "Federal funds" includes federal assistance and federal assistance programs,

194           however described.

195           [(iii) "Federal funds" does not include money received from the United States  
196           government to reimburse the state or local government entity for money expended  
197           by the state or local government entity.]

198       [(e)] (d) "Federal funds reauthorization" means:

199           (i) the formal submission from an agency to the federal government applying for or  
200           seeking reauthorization of federal funds which the state is currently receiving;

201           (ii) the formal submission from an agency to the federal government applying for or  
202           seeking reauthorization to participate in a federal program in which the state is  
203           currently participating that will result in federal funds being transferred to an  
204           agency; or

205           (iii) that period after the first year of a previously authorized and awarded grant or  
206           funding award, during which federal funds are disbursed or are scheduled to be  
207           disbursed after the first year because the term of the grant or financial award  
208           extends for more than one year.

209       [(d)] (e) (i) "Federal funds request summary" means a document detailing:

210           (A) the amount of money that is being requested or is available to be received by  
211           the state from the federal government for each federal funds reauthorization or  
212           new federal funds request;

213           (B) those federal funds reauthorizations and new federal funds requests that are  
214           included as part of the agency's proposed budget for the fiscal year, and the  
215           amount of those requests;

216           (C) the amount of new state money, if any, that will be required to receive the  
217           federal funds or participate in the federal program;

218           (D) the number of additional permanent full-time employees, additional  
219           permanent part-time employees, or combination of additional permanent  
220           full-time employees and additional permanent part-time employees, if any, that  
221           the state estimates are needed in order to receive the federal funds or  
222           participate in the federal program; ~~and~~

223           (E) any requirements that the state must meet as a condition for receiving the  
224           federal funds or participating in the federal program[-] ; and

225           (F) for each federal funds reauthorization for qualifying federal funds and each  
226           new federal funds request for qualifying federal funds, a contingency  
227           disclosure and plan, and a state jurisdiction evaluation.

- 228 (ii) "Federal funds request summary" includes, if available:
- 229 (A) the letter awarding an agency a grant of federal funds or other official
- 230 documentation awarding an agency a grant of federal funds; and
- 231 (B) a document detailing federal maintenance of effort requirements.
- 232 ~~[(e)]~~ (f) "Federal maintenance of effort requirements" means any matching, level of
- 233 effort, or earmarking requirements, as defined in Office of Management and Budget
- 234 requirements, that are imposed on an agency as a condition of receiving federal funds.
- 235 ~~[(f)]~~ (g) (i) "Intergovernmental transfer program" means an existing reimbursement
- 236 program or category that is authorized by the Medicaid state plan or waiver
- 237 authority for intergovernmental transfers.
- 238 (ii) "Intergovernmental transfer program" does not include the addition of a provider
- 239 to an existing intergovernmental transfer program.
- 240 ~~[(g)]~~ (h) "Local education agency" or "LEA" means:
- 241 (i) a school district;
- 242 (ii) a charter school; or
- 243 (iii) the Utah Schools for the Deaf and the Blind.
- 244 ~~[(h)]~~ (i) "New federal funds" means:
- 245 (i) federal assistance or other federal funds that are available from the federal
- 246 government that:
- 247 (A) the state is not currently receiving; or
- 248 (B) exceed the federal funds amount most recently approved by the Legislature by
- 249 more than 25% for a federal grant or program in which the state is currently
- 250 participating;
- 251 (ii) a federal assistance program or other federal program in which the state is not
- 252 currently participating; or
- 253 (iii) a one-time TANF request.
- 254 ~~[(i)]~~ (j) "New federal funds request" means:
- 255 (i) the formal submission from an agency to the federal government:
- 256 (A) applying for or otherwise seeking to obtain new federal funds; or
- 257 (B) applying for or seeking to participate in a new federal program that will result
- 258 in federal funds being transferred to an agency; or
- 259 (ii) a one-time TANF request.
- 260 ~~[(j)]~~ (k) (i) "New state money" means money, whether specifically appropriated by the
- 261 Legislature or not, that the federal government requires Utah to expend as a



- 262 condition for receiving the federal funds or participating in the federal program.
- 263 (ii) "New state money" includes money expended to meet federal maintenance of  
264 effort requirements.
- 265 ~~[(\*)]~~ (l) "One-time TANF request" means a proposed expenditure by the Department of  
266 Workforce Services from its reserves of federal Temporary Assistance for Needy  
267 Families funds:
- 268 (i) for a project or program that will last for a fixed amount of time and is not an  
269 ongoing project or program of the Department of Workforce Services; and  
270 (ii) that is greater than \$1,000,000 over the amount most recently approved by the  
271 Legislature.
- 272 ~~[(\*) (i) "Pass-through federal funds" means federal funds provided to an agency that are  
273 distributed to local governments or private entities without being used by the agency.]~~
- 274 ~~[(ii) "Pass-through federal funds" does not include federal funds provided to the State  
275 Board of Education that are distributed to a local education agency or other  
276 subrecipient without being used by the State Board of Education.]~~
- 277 (m) "Qualifying federal funds" means federal funds that are:
- 278 (i) greater than 10% of the receiving entity's annual budget; or  
279 (ii) greater than \$2,000,000.
- 280 (n) "State" means the state of Utah and all of its agencies, and any administrative  
281 subunits of those agencies.
- 282 (o) "State jurisdiction evaluation" means:
- 283 (i) a disclosure of:
- 284 (A) whether accepting the federal funds or participating in the federal program  
285 will require the use of state funds or increase the administrative costs of the  
286 state or agency;
- 287 (B) the extent to which accepting the federal funds or participating in the federal  
288 program will impair or impact the exclusive police power jurisdiction of the  
289 state to protect or provide for the health, safety, welfare, and morals of the  
290 state; and
- 291 (C) the extent to which accepting the federal funds or participating in the federal  
292 program will impair or impact the jurisdiction of the state over federal areas  
293 within the state; and
- 294 (ii) to the extent that accepting the federal funds or participating in the federal  
295 program will impair or impact the state's jurisdiction as described in Subsection

296 (1)(o)(i)(B) or (C), an identification of the constitutional authority supporting  
 297 federal assertion of jurisdiction or authority for the funding, program, or an  
 298 associated regulation or restriction.

299 (2) When this chapter describes an employee as a "permanent full-time employee" or a  
 300 "permanent part-time employee," it is not intended to, and may not be construed to,  
 301 affect the employee's status as an at-will employee.

302 Section 3. Section **63J-5-103** is amended to read:

303 **63J-5-103 . Scope and applicability of chapter.**

304 (1) Except as ~~provided in Subsection (2), and except as~~ otherwise provided by a statute  
 305 superseding provisions of this chapter by explicit reference to this chapter, the  
 306 provisions of this chapter apply to each agency and govern each federal funds request.

307 ~~[(2) (a) This chapter does not govern federal funds requests for:]~~

308 ~~[(i) except as provided in Section 63J-5-206, the Medical Assistance Program, commonly~~  
 309 ~~known as Medicaid; and]~~

310 ~~[(ii) except as provided in Section 63J-5-206, the Children's Health Insurance Program.]~~

311 ~~[(b) Until Subsections (2)(c) and (d) apply, this chapter does not govern federal funds~~  
 312 ~~requests for:]~~

313 ~~[(i) the Women, Infant, and Children program;]~~

314 ~~[(ii) the Temporary Assistance for Needy Families program, except for a one-time TANF~~  
 315 ~~request as defined in Section 63J-5-102;]~~

316 ~~[(iii) Social Security Act money;]~~

317 ~~[(iv) the Substance Abuse Prevention and Treatment program;]~~

318 ~~[(v) Child Care and Development Block Grant;]~~

319 ~~[(vi) SNAP Administration and Training money;]~~

320 ~~[(vii) Unemployment Insurance Operations money;]~~

321 ~~[(viii) Federal Highway Administration money;]~~

322 ~~[(ix) the Utah National Guard; or]~~

323 ~~[(x) pass-through federal funds.]~~

324 ~~[(e) Federal funds requests described in Subsection (2)(b) are subject to the provisions of~~  
 325 ~~this chapter:]~~

326 ~~[(i) beginning on January 1, 2018, for each agency that receives more than \$200,000,000~~  
 327 ~~annually in federal funds; or]~~

328 ~~[(ii) beginning on July 1, 2018, for each agency that receives \$200,000,000 or less~~  
 329 ~~annually in federal funds.]~~

330 ~~[(d) Maintenance of effort reporting requirements described in Subsection 63J-5-102~~  
 331 ~~(1)(d)(ii)(B) may not be required until:]~~  
 332 ~~[(i) January 1, 2018, for each agency that receives more than \$200,000,000 annually in~~  
 333 ~~federal funds; or]~~  
 334 ~~[(ii) July 1, 2018, for each agency that receives \$200,000,000 or less annually in federal~~  
 335 ~~funds.]~~

336 ~~[(3)]~~ (2) The governor need not seek legislative review or approval of federal funds received  
 337 by the state if:

- 338 (a) the governor has declared a state of emergency; and
- 339 (b) the federal funds are received to assist victims of the state of emergency under  
 340 Section 53-2a-204.

341 Section 4. Section **63J-5-204** is amended to read:

342 **63J-5-204 . Legislative review and approval of certain federal funds requests.**

343 (1) As used in this section:

- 344 (a) "High impact federal funds request" means a new federal funds request that will or  
 345 could:
  - 346 (i) result in the state receiving total payments of \$10,000,000 or more per year from  
 347 the federal government;
  - 348 (ii) require the state to add 11 or more permanent full-time employees, 11 or more  
 349 permanent part-time employees, or combination of permanent full-time and  
 350 permanent part-time employees equal to 11 or more in order to receive the new  
 351 federal funds or participate in the new federal program; or
  - 352 (iii) require the state to expend more than \$1,000,000 of new state money in a fiscal  
 353 year in order to receive or administer the new federal funds or participate in the  
 354 new federal program.
- 355 (b) "Medium impact federal funds request" means a new federal funds request that will  
 356 or could:
  - 357 (i) result in the state receiving total payments of more than \$1,000,000 but less than  
 358 \$10,000,000 per year from the federal government;
  - 359 (ii) require the state to add more than zero but less than 11 permanent full-time  
 360 employees, more than zero but less than 11 permanent part-time employees, or a  
 361 combination of permanent full-time employees and permanent part-time  
 362 employees equal to more than zero but less than 11 in order to receive or  
 363 administer the new federal funds or participate in the new federal program; or

364 (iii) require the state to expend \$1 to \$1,000,000 of new state money in a fiscal year  
365 in order to receive or administer the new federal funds or participate in the new  
366 federal program.

367 (2) (a) (i) Before obligating the state to accept or receive new federal funds or to  
368 participate in a new federal program under a medium impact federal funds request  
369 that was not authorized during a legislative session as provided in Section  
370 63J-5-201, an agency shall:

371 (A) submit the federal funds request summary to the governor, the Judicial  
372 Council, or the State Board of Education, as appropriate, for approval or  
373 rejection; and

374 (B) if the governor, the Judicial Council, or the State Board of Education  
375 approves the new federal funds request, submit the federal funds request  
376 summary to the Legislative Executive Appropriations Committee for its review  
377 and recommendations.

378 (ii) The procedures required under Subsection (2)(a)(i) shall be performed, if  
379 possible, before the date that the medium impact funds request is formally  
380 submitted, but not later than three months after the date of formal submission.

381 (b) The Legislative Executive Appropriations Committee shall review the federal funds  
382 request summary and may:

383 (i) recommend that the agency accept the new federal funds;

384 (ii) recommend that the agency not accept the new federal funds; or

385 (iii) recommend to the governor that the governor call a special session of the  
386 Legislature to review and approve or reject the acceptance of the new federal  
387 funds.

388 (3) (a) (i) Before obligating the state to accept or receive new federal funds or to  
389 participate in a new federal program under a high impact federal funds request  
390 that was not authorized during a legislative session as provided in Section  
391 63J-5-201, an agency shall:

392 (A) submit the federal funds request summary to the governor, the Judicial  
393 Council, or the State Board of Education, as appropriate, for approval or  
394 rejection; and

395 (B) if the governor, the Judicial Council, or the State Board of Education  
396 approves the new federal funds request, submit the federal funds request  
397 summary to the Legislature for its approval or rejection in an annual general

- 398 session or a special session.
- 399 (ii) [The] Except as provided in Subsection (3)(a)(iii), the procedures required under  
400 Subsection (3)(a)(i) shall be performed, if possible, before the date that the high  
401 impact funds request is formally submitted, but not later than three months after  
402 the date of formal submission.
- 403 (iii) For a high impact federal funds request for the Medical Assistance Program,  
404 commonly known as Medicaid, or the Children's Health Insurance Program, the  
405 procedures required under Subsection (3)(a)(i) shall be performed, if possible,  
406 before the date that the high impact funds request is formally submitted, but not  
407 later than the end of the earlier of the next annual general session or special  
408 session of the Legislature after the date of formal submission.
- 409 (b) (i) If the Legislature approves the new federal funds request, the agency may  
410 accept the new federal funds or participate in the new federal program.
- 411 (ii) If the Legislature fails to approve the new federal funds request, the agency may  
412 not accept the new federal funds or participate in the new federal program.
- 413 (4) If an agency fails to comply with the procedures of this section or fails to obtain the  
414 Legislature's approval:
- 415 (a) the governor, the Judicial Council, or the State Board of Education, as appropriate,  
416 may require the agency to withdraw the new federal funds request or refuse or return  
417 the new federal funds;
- 418 (b) the Legislature may, if federal law allows, opt out or decline to participate in the new  
419 federal program or decline to receive the new federal funds; or
- 420 (c) the Legislature may reduce the agency's General Fund appropriation in an amount  
421 less than, equal to, or greater than the amount of federal funds received by the agency.
- 422 (5) If a letter or other official documentation awarding an agency a grant of federal funds is  
423 not available to be included in the agency's federal funds request summary to the  
424 governor, the Judicial Council, or the State Board of Education, as appropriate, under  
425 this section, the agency shall submit to the governor, the Judicial Council, or the State  
426 Board of Education, as appropriate, the letter or other official documentation awarding  
427 the agency a grant of federal funds before expending the federal funds granted.

428 Section 5. Section **63J-5-301** is enacted to read:

429

### **Part 3. Federal Funds Contingency Plan**

430 **63J-5-301 . Definitions.**

431 As used in this part:

432 (1) "Federal receipts" means the federal financial assistance, as defined in 31 U.S.C. Sec.  
433 7501, that is reported as part of a single audit.

434 (2) "Qualifying agency" means an agency that, in a single fiscal year, has federal receipts  
435 composing more than 33% of the agency's total budget.

436 (3) "Single audit" means the same as that term is defined in 31 U.S.C. Sec. 7501.

437 Section 6. Section **63J-5-302** is enacted to read:

438 **63J-5-302 . Federal funds contingency plan.**

439 (1) A qualifying agency shall prepare a federal funds contingency plan that meets the  
440 requirements described in Subsection (2).

441 (2) A federal funds contingency plan shall:

442 (a) identify short-term and long-term risks to the agency if there is a reduction in the  
443 amount or value of federal funds the agency receives;

444 (b) identify short-term and long-term strategies the agency may use to respond to the  
445 risks described in Subsection (2)(a); and

446 (c) designate agency personnel who are responsible for implementing the strategies  
447 described in Subsection (2)(b).

448 (3) A qualifying agency shall update the agency's federal funds contingency plan:

449 (a) at least every other year; and

450 (b) in any year in which the qualifying agency submits a new federal funds request that  
451 exceeds \$10,000,000.

452 (4) On or before December 31 of each year that a qualifying agency prepares a federal  
453 funds contingency plan or an update to a federal funds contingency plan, the qualifying  
454 agency shall provide a copy of the contingency plan or update to:

455 (a) the Governor's Office of Planning and Budget;

456 (b) the Executive Appropriations Committee; and

457 (c) the Legislative Fiscal Analyst.

458 Section 7. **Repealer.**

459 This bill repeals:

460 Section **63J-1-219, Definitions -- Federal receipts reporting requirements.**

461 Section **63J-5-101, Title.**

462 Section 8. **Effective date.**

463 This bill takes effect on May 1, 2024.