



NONLAPSING BALANCES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: RUSSELL FRANSEN

ISSUE BRIEF

SUMMARY

The purpose of this issue brief is to inform the Social Services Appropriations Subcommittee of \$13,662,500 in nonlapsing balances at the end of FY 2011 for the Department of Health. This brief is for information purposes only and no action is required.

DISCUSSION AND ANALYSIS

Under the Budgetary Procedures Act (UCA 63J-1-602), no revenue collection, appropriation from a fund or account, or appropriation to a program may be treated as nonlapsing unless:

1. It is expressly referenced in UCA 63J-1-602
2. It is designated in a condition of appropriation in the appropriations bill, or
3. Nonlapsing authority is granted under UCA 63J-1-603.

UCA 63J-1-602 also states that “each legislative appropriations subcommittee shall review the accounts and funds that have been granted nonlapsing authority under this section of Section 63J-1-603.”

The tables on the following pages detail the \$13,662,500 in nonlapsing balances at the end of FY 2011 for the Department of Health (most of the information in the table represents responses and information from the Department of Health received via email from prior year communications). Of this amount \$12,367,300 or 91% of nonlapsing authority came via intent language, while \$1,295,200 or 9% of nonlapsing authority came from statute (UCA 26-8a-207 (1)(C), 26-18-3 (5), & 26-46-102 (4)(b)). For more information on the intent language that provided nonlapsing authority, please see the Issue Brief entitled “*Intent Language Follow-up from Prior Years.*”

The Office of the Legislative Fiscal Analyst presented a statewide report entitled, “FY 2011 Preliminary Lapsing and Nonlapsing Balances,” to the Executive Appropriations Committee in September of 2011. The report is available at <http://le.utah.gov/interim/2011/pdf/00001768.pdf>.

NONLAPSING BALANCES

Department of Health

FY 2011 Nonlapsing Funds

Division & Program	Nonlapsing Authority	Amount	Restrictions	Reason
Executive Director's Office				
Program Operations	2011 General Session HB3 Item 72	90,000	Intent language specifies use is limited to computer equipment and/or software up to \$90,000.	The Department wants funds to update its computers. As part of budget reductions, the Department changed its computer replacement schedule from 3 to 5 years.
Family Health and Preparedness				
Emergency Medical Services (EMS)	2011 General Session HB3 Item 73	617,700	Staff Support, administrative expenses, trauma system development, and emergency medical services grants from the remaining funds received as dedicated credits. A recipient of a grant under this Subsection must actively provide emergency medical services within the state.	Because these are ongoing system development programs and merge between cities, counties, and state agencies, with different budget years, the nonlapsing authority allows the Department to utilize the funds ensuring EMS is readily available to those who call.
Emergency Medical Services (EMS) - Fees for Training and Equipment	2011 General Session HB3 Item 73	250,000	The use of any nonlapsing funds is limited to testing, certifications, background screenings, replacement testing equipment, and testing supplies.	The nature of the training requirements mean that most testing and licensing begins in one fiscal year and ends in another fiscal year. Often training requirements include classroom hours, certain hours clinical experience, and a competency exam.
Plan Review Fees	2011 General Session HB3 Item 73	67,100	Intent language designates use in Plan Review Program up to \$210,000 and is limited to plan review activities.	Current program activities are funded with previous year's nonlapsing collections. Fees are paid at different and unpredictable times during the year depending on status of application and/or building project.
Bleeding Disorders	2011 General Session HB3 Item 73	50,000	Intent language specifies use in bleeding disorder program is limited to services to newly eligible clients up to \$50,000.	The contracted provider is processing applications for eligibility and anticipates more expenses from this fund once more individuals have been determined to be eligible.
Child Care License Violations - Civil Money Penalties	2011 General Session HB3 Item 73	85,600	Intent language designates use in Child Care Licensing Program and is limited to trainings for providers.	The fines collected in one year fund the training for providers in the following year.
Civil Money Penalties - Health Providers	2011 General Session HB3 Item 73 and Section 1919(h)(2)(A)(ii) of the Social Security Act	19,400	Civil money penalties must be applied to the protection of the health or property of residents of nursing care facilities. Federal approval is required for projects using these funds.	Per federal regulation for cost of client relocation, reimbursing a client for funds lost, and/or temporary management to oversee a facility.
Workforce Financial Assistance				
Workforce Loan Program	UCA 26-46-102 (4)(b)	212,300	Statute provides for professional educational loan repayment and scholarship assistance to health care professionals who locate or continue to practice in medically underserved areas of Utah.	Funds are obligated but dispersed across state fiscal years. Contracts may range from 2 to 4 years in length for contractual service obligations for health care professionals providing primary health care services to Utah's medically underserved populations.

Disease Control and Prevention				
	Nonlapsing Authority	Amount	Restrictions	Reason
Unified State Laboratory - Equipment and Building Improvements	2011 General Session HB3 Item 74	250,000	Limited to laboratory equipment, computer equipment and/or software, and building improvements up to \$250,000.	No ongoing funding available for equipment needs. Funds are pieced together to pay for needed equipment.
Medical Examiner - Equipment and Facility Improvements	2011 General Session HB3 Item 74	175,000	Limited to replacement computer equipment, software, laboratory equipment, and for facility improvements/expansion up to \$175,000.	No ongoing funding available for equipment needs. Funds are pieced together to pay for needed equipment.
Medicaid Services & Administration (Health Care Financing)				
Civil Money Penalties	Title XIX of the Social Security Act Paragraph (h) Section (2) and UCA 26-18-3 (5)	1,082,900	Funds Collected as a result of a sanctions imposed under Section 1919 of Title XIX of the federal Social Security Act shall be deposited in the General Fund as nonlapsing dedicated credits to be used by the division in accordance with the requirement of that section.	Funds may be used for the costs of relocation of residents to other facilities, maintenance of operation of a facility pending correction of deficiencies or closure, and reimbursement of resident for personal funds lost.
Financial Services	2011 General Session HB3 Item 75	40,400	Intent language specifies use is limited to the purchase of computer equipment up to \$50,000.	The Department wants funds to update its computers. As part of budget reductions, the Department changed its computer replacement schedule from 3 to 5 years.
Medicaid Management Information System (MMIS)	2011 General Session HB3 Item 76	2,488,400	Funding of \$3,000,000 for phase I of the replacement of MMIS was funded in FY 2011. Intent language provides for up to \$3,223,600 of the funding to not lapse at the close of FY 2011 is limited to the redesign and replacement of MMIS.	This project was started in FY 2008 and is still in progress for FY 2011.
Medicaid Mandatory Services	2010 General Session HB 446 (to comply w/ ARRA requirements)	574,300	General Fund not expended by Medicaid in FY 2009 through FY 2011 is nonlapsing.	Nonlapsing for Medicaid money is a requirement to receive federal stimulus money (ARRA).
Medicaid Optional Services	2010 General Session HB 446 (to comply w/ ARRA requirements)	7,010,200	General Fund not expended by Medicaid in FY 2009 through FY 2011 is nonlapsing.	Nonlapsing for Medicaid money is a requirement to receive federal stimulus money (ARRA).
Children's Health Insurance Program (CHIP)				
CHIP	2011 General Session HB3 Item 79	649,300	Use of all nonlapsing funds limited to caseload and utilization increases	The CHIP program is required by State statute to serve all clients who qualify for services.
Grand Total		13,662,600		