

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

STATE GRANT PROCESS AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions governing the administration of state grants.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides eligibility requirements for a grant recipient;
- ▶ requires that a grant recipient agree to deliverables, reporting, audit, and clawback requirements before receiving any grant funds;
- ▶ establishes a default disbursement schedule for grant funds;
- ▶ provides for review after a specified time of a grant funded by an ongoing appropriation; and
- ▶ provides requirements specific to direct award grants and competitive grants, including allowing the Legislative Fiscal Analyst, in consultation with the appropriations subcommittee, to provide feedback before an agency awards a competitive grant.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



28 ENACTS:

29 **63G-6b-101**, Utah Code Annotated 1953

30 **63G-6b-102**, Utah Code Annotated 1953

31 **63G-6b-201**, Utah Code Annotated 1953

32 **63G-6b-202**, Utah Code Annotated 1953

33 **63G-6b-301**, Utah Code Annotated 1953

34 **63G-6b-401**, Utah Code Annotated 1953

35

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

37 Section 1. Section **63G-6b-101** is enacted to read:

38 **CHAPTER 6b. STATE GRANTS**

39 **Part 1. General Provisions**

40 **63G-6b-101. Definitions.**

41 As use in this chapter:

42 (1) "Administering agency" means a state agency that administers a grant.

43 (2) "Competitive grant" means a grant awarded to a recipient under a competitive
44 process.

45 (3) "Direct award grant" means a grant under which the public funds are given directly
46 to a recipient without a competitive process.

47 (4) "Grant" means an expenditure of public funds, or an agreement to expend public
48 funds, that is:

49 (a) authorized by law;

50 (b) made for a particular purpose; and

51 (c) made without acquiring, or the promise of acquiring, a procurement item in
52 exchange for the expenditure.

53 (5) "Grant appropriation" means an appropriation made by the Legislature to an
54 administering agency to be used for one or more grants.

55 (6) "Grant period" means the time frame during which a grant recipient receives funds
56 from a single grant.

57 (7) "Multi-year grant" means a grant for which the grant period exceeds one year.

58 (8) "Nonprofit entity" means an entity that:

59 (a) is located in the state;
60 (b) is not a government entity; and
61 (c) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue
62 Code.

63 (9) "Procurement item" means the same as that term is defined in Section 63G-6a-103.
64 Section 2. Section **63G-6b-102** is enacted to read:

65 **63G-6b-102. Applicability.**

66 To the extent a provision of this chapter conflicts with a statutory provision governing a
67 grant, the statutory provision governing that grant controls over the conflicting provision of this
68 chapter.

69 Section 3. Section **63G-6b-201** is enacted to read:

70 **Part 2. Provisions Applicable to All Grants**

71 **63G-6b-201. Eligibility.**

72 Except as otherwise provided in the grant appropriation, a person may receive a grant
73 only if the person is a nonprofit entity.

74 Section 4. Section **63G-6b-202** is enacted to read:

75 **63G-6b-202. Requirements for all grants.**

76 (1) (a) Subject to Subsection (1)(b), an administering agency shall disburse grant funds
77 quarterly, in equal amounts.

78 (b) An administering agency may not disburse a recipient's final quarterly disbursement
79 before the recipient delivers the report described in Subsection (3).

80 (2) For a multi-year grant:

81 (a) the grant period may not exceed five years; and

82 (b) in the final quarter of each year of the grant period, excluding the final year, the
83 recipient shall deliver to the administering agency a report that details the recipient's progress
84 towards fulfilling the grant's purpose, including the annual deliverables and performance
85 metrics described in the agreement made in accordance with Subsection (4).

86 (3) In the final quarter of a grant period, the grant recipient shall deliver to the
87 administering agency a final report that details the extent to which the recipient fulfilled the
88 grant's purpose, including the deliverables and performance metrics described in the agreement
89 made in accordance with Subsection (4).

90 (4) Except as otherwise provided in the grant appropriation and consistent with the
91 other provisions of this section, an administering agency may not disburse any grant funds to a
92 recipient before the administering agency and the recipient execute an agreement that contains:

93 (a) the disbursement schedule for the grant funds;

94 (b) the deliverables, reporting, and performance metrics the recipient will produce and
95 use to demonstrate that the recipient used the grant funds to fulfill the grant's purpose;

96 (c) if the grant is a multi-year grant, annual deliverables and performance metrics the
97 recipient will produce and use to demonstrate sufficient progress towards fulfilling the grant's
98 purpose;

99 (d) a provision informing the recipient that disbursement of grant funds is subject to
100 legislative appropriation; and

101 (e) the recipient's consent to follow-up audit and clawback of the grant funds if the
102 audit shows that the grant funds were inappropriately used.

103 Section 5. Section **63G-6b-301** is enacted to read:

104 **Part 3. Direct Award Grants**

105 **63G-6b-301. Direct award grant requirements.**

106 (1) (a) A direct award grant is valid only if the direct grant's grant appropriation
107 identifies the recipient or class of recipients in the grant appropriation's intent language.

108 (b) For a grant appropriation that is an ongoing appropriation to fund a multi-year
109 grant, the requirement to identify the recipient or class of recipients applies each fiscal year.

110 (2) If the intent language for a direct award grant's grant appropriation provides a
111 disbursement schedule that is different from the schedule described in Section [63G-6b-202](#), for
112 the fiscal year in which the grant appropriation is made, the schedule in the intent language
113 controls.

114 Section 6. Section **63G-6b-401** is enacted to read:

115 **Part 4. Competitive Grants**

116 **63G-6b-401. Competitive grant requirements.**

117 (1) For a competitive grant, the administering agency shall:

118 (a) establish a competitive application and selection process by rule made in
119 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and

120 (b) award each competitive grant in accordance with the process established by rule.

121 (2) An administering agency may not award a competitive grant to a recipient who has
122 received a direct award grant if:

123 (a) the direct award grant is for substantially the same purpose as the competitive grant;
124 and

125 (b) the direct grant's grant period and the competitive grant's grant period overlap.

126 (3) (a) After an administering agency completes a competitive application process for a
127 competitive grant but before the administering agency awards the grant, the administering
128 agency shall report each proposed recipient to the Legislative Fiscal Analyst for feedback.

129 (b) In providing the feedback described in Subsection (3)(a), the Legislative Fiscal
130 Analyst shall consult with the appropriate appropriations subcommittee.

131 (c) An administering agency may not award a competitive grant before the
132 administering agency receives feedback under this subsection.

133 **Section 7. Effective date.**

134 This bill takes effect on May 1, 2024.