

1                   **STATE BOARD OF EDUCATION FINANCE AMENDMENTS**

2                                   2018 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Jefferson Moss**

5                                   Senate Sponsor: Lincoln Fillmore

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7 **LONG TITLE**

8 **General Description:**

9                   This bill amends provisions related to State Board of Education finance.

10 **Highlighted Provisions:**

11                   This bill:

- 12                   ▶ defines a term;
- 13                   ▶ exempts the State Board of Education from certain state budgetary requirements
- 14 under certain circumstances; and
- 15                   ▶ makes technical and conforming changes.

16 **Money Appropriated in this Bill:**

17                   None

18 **Other Special Clauses:**

19                   None

20 **Utah Code Sections Affected:**

21 AMENDS:

22                   **63J-1-601**, as last amended by Laws of Utah 2016, Chapter 271

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

25                   Section 1. Section **63J-1-601** is amended to read:

26                   **63J-1-601. End of fiscal year -- Unexpended balances -- Funds not to be closed**  
27 **out -- Pending claims -- Transfer of amounts from item of appropriation -- Nonlapsing**  
28 **accounts and funds -- Institutions of higher education to report unexpended balances.**

29                   (1) As used in this section[, "transaction"]:

30 (a) "Education grant subrecipient" means a nonfederal entity that:

31 (i) receives a subaward from the State Board of Education to carry out at least part of a  
32 federal or state grant program; and

33 (ii) does not include an individual who is a beneficiary of the federal or state grant  
34 program.

35 (b) "Transaction control number" means the unique numerical identifier established by  
36 the Department of Health to track each medical claim and indicates the date on which the claim  
37 is entered.

38 (2) On or before August 31 of each fiscal year, the director of the Division of Finance  
39 shall close out to the proper fund or account all remaining unexpended and unencumbered  
40 balances of appropriations made by the Legislature, except:

41 (a) those funds classified under Title 51, Chapter 5, Funds Consolidation Act, as:

42 (i) enterprise funds;

43 (ii) internal service funds;

44 (iii) trust and agency funds;

45 (iv) capital projects funds;

46 (v) discrete component unit funds;

47 (vi) debt service funds; and

48 (vii) permanent funds;

49 (b) those revenue collections, appropriations from a fund or account, or appropriations  
50 to a program that are designated as nonlapsing under Sections [63J-1-602.1](#) through  
51 [63J-1-602.5](#);

52 (c) expendable special revenue funds, unless specifically directed to close out the fund  
53 in the fund's enabling legislation;

54 (d) acquisition and development funds appropriated to the Division of Parks and  
55 Recreation;

56 (e) funds encumbered to pay purchase orders issued prior to May 1 for capital  
57 equipment if delivery is expected before June 30; and

58 (f) unexpended and unencumbered balances of appropriations that meet the  
59 requirements of Section 63J-1-603.

60 (3) (a) Liabilities and related expenses for goods and services received on or before  
61 June 30 shall be recognized as expenses due and payable from appropriations made prior to  
62 June 30.

63 (b) The liability and related expense shall be recognized within time periods  
64 established by the Division of Finance but shall be recognized not later than August 31.

65 (c) Liabilities and expenses not so recognized may be paid from regular departmental  
66 appropriations for the subsequent fiscal year, if these claims do not exceed unexpended and  
67 unencumbered balances of appropriations for the years in which the obligation was incurred.

68 (d) No amounts may be transferred from an item of appropriation of any department,  
69 institution, or agency into the Capital Projects Fund or any other fund without the prior express  
70 approval of the Legislature.

71 (4) (a) For purposes of this chapter, a claim processed under the authority of Title 26,  
72 Chapter 18, Medical Assistance Act:

73 (i) is not a liability or an expense to the state for budgetary purposes, unless the  
74 Division of Health Care Financing receives the claim within the time periods established by the  
75 Division of Finance under Subsection (3)(b); and

76 (ii) is not subject to Subsection (3)(c).

77 (b) The transaction control number that the Division of Health Care Financing records  
78 on each claim invoice is the date of receipt.

79 (5) (a) For purposes of this chapter, a claim processed in accordance with Title 35A,  
80 Chapter 13, Utah State Office of Rehabilitation Act:

81 (i) is not a liability or an expense to the state for budgetary purposes, unless the Utah  
82 State Office of Rehabilitation receives the claim within the time periods established by the  
83 Division of Finance under Subsection (3)(b); and

84 (ii) is not subject to Subsection (3)(c).

85 (b) (i) The Utah State Office of Rehabilitation shall mark each claim invoice with the

86 date on which the Utah State Office of Rehabilitation receives the claim invoice.

87 (ii) The date described in Subsection (5)(b)(i) is the date of receipt for purposes of this  
88 section.

89 (6) (a) For purposes of this chapter, a reimbursement request received from an  
90 education grant subrecipient:

91 (i) is not a liability or expense to the state for budgetary purposes, unless the State  
92 Board of Education receives the claim within the time periods described in Subsection (3)(b);  
93 and

94 (ii) is not subject to Subsection (3)(c).

95 (b) The transaction control number that the State Board of Education records on a  
96 claim invoice is the date of receipt.

97 [~~6~~] (7) Any balance from an appropriation to a state institution of higher education  
98 that remains unexpended at the end of the fiscal year shall be reported to the Division of  
99 Finance by the September 1 following the close of the fiscal year.