

1 **RATE COMMITTEE AMENDMENTS**

2 2016 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Mike K. McKell**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends language related to a rate committee.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines the membership of a rate committee;
- 13 ▶ requires a rate committee to:
- 14 • meet quarterly; and
 - 15 • recommend adjustments to service levels received by state agencies; and
- 16 ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **63A-1-114**, as last amended by Laws of Utah 2013, Chapter 310

24 **63F-1-302**, as last amended by Laws of Utah 2013, Chapter 310

25 **67-19-11**, as last amended by Laws of Utah 2013, Chapter 310

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



28 Section 1. Section 63A-1-114 is amended to read:

29 **63A-1-114. Rate committee -- Membership -- Duties.**

30 (1) (a) There is created a rate committee, which shall consist of ~~[(i) the executive~~
31 ~~director of the Governor's Office of Management and Budget, or a designee; (ii)]~~ the executive
32 directors of ~~[three]~~ seven state agencies that use services and pay rates to one of the department
33 internal service funds, or ~~[their]~~ each executive director's designee, appointed by the governor
34 for a two-year term~~;~~.

35 ~~[(iii) the executive director of the Department of Administrative Services, or a~~
36 ~~designee;]~~

37 ~~[(iv) the director of the Division of Finance, or a designee; and]~~

38 ~~[(v) the chief information officer.]~~

39 (b) (i) Of the seven state agencies represented on the rate committee under Subsection
40 (1)(a), only one of the following may be represented on the committee, if at all, at any one
41 time:

42 (A) the Governor's Office of Management and Budget;

43 (B) the Division of Finance; or

44 (C) the Department of Technology Services.

45 (ii) The department may not have a representative on the rate committee.

46 ~~[(b)]~~ (c) (i) The committee shall elect a chair from its members~~[-except that the chair~~
47 ~~may not be from an agency that receives payment of a rate set by the committee].~~

48 (ii) Members of the committee who are state government employees and who do not
49 receive salary, per diem, or expenses from their agency for their service on the committee shall
50 receive no compensation, benefits, per diem, or expenses for the members' service on the
51 committee.

52 ~~[(c)]~~ (d) The Department of Administrative Services shall provide staff services to the
53 committee.

54 (2) (a) A division described in Section 63A-1-109 that manages an internal service
55 fund shall submit to the committee a proposed rate and fee schedule for services rendered by
56 the division to an executive branch entity or an entity that subscribes to services rendered by
57 the division.

58 (b) The committee shall:

59 (i) conduct meetings in accordance with Title 52, Chapter 4, Open and Public Meetings
 60 Act;

61 (ii) meet at least quarterly to:

62 (A) discuss service performance of each internal service fund; and

63 ~~[(ii)]~~ (B) review the proposed rate and fee schedules and may approve, increase, or
 64 decrease the rate and fee;

65 (iii) recommend any adjustments to the service level received by state agencies that pay
 66 rates to an internal service fund;

67 ~~[(iii)]~~ (iv) recommend a proposed rate and fee schedule for each internal service fund
 68 to:

69 (A) the Governor's Office of Management and Budget; and

70 (B) the legislative appropriations subcommittees that, in accordance with Section
 71 [63J-1-410](#), approve the internal service fund agency's rates, fees, and budget; and

72 ~~[(iv)]~~ (v) review and approve, increase or decrease an interim rate, fee, or amount when
 73 an internal service fund agency begins a new service or introduces a new product between
 74 annual general sessions of the Legislature.

75 (c) The committee may in accordance with Subsection [63J-1-410](#)(4), decrease a rate,
 76 fee, or amount that has been approved by the Legislature.

77 Section 2. Section [63F-1-302](#) is amended to read:

78 **[63F-1-302. Information Technology Rate Committee -- Membership -- Duties.](#)**

79 (1) (a) There is created an Information Technology Rate Committee, which shall
 80 consist of~~[(i) the executive director of the Governor's Office of Management and Budget, or a~~
 81 ~~designee; (ii)]~~ the executive directors, or ~~[their]~~ each executive director's designee, of ~~[three]~~
 82 seven executive branch agencies that use services and pay rates to one of the department
 83 internal service funds, appointed by the governor for a two-year term~~[:];~~.

84 ~~[(iii) the director of the Division of Finance, or a designee; and]~~

85 ~~[(iv) the chief information officer.]~~

86 (b) (i) Of the seven executive agencies represented on the rate committee under
 87 Subsection (1)(a), only one of the following may be represented on the committee, if at all, at
 88 any one time:

89 (A) the Governor's Office of Management and Budget;

90 (B) the Division of Finance; or

91 (C) the Department of Administrative Services.

92 (ii) The department may not have a representative on the rate committee.

93 [~~(b) (i) The director of the Division of Finance shall serve as chair of the committee.~~]

94 (c) (i) The committee shall elect a chair from its members.

95 (ii) Members of the committee who are state government employees and who do not
96 receive salary, per diem, or expenses from their agency for their service on the committee shall
97 receive no compensation, benefits, per diem, or expenses for the member's service on the
98 committee.

99 [~~(c)~~] (d) The department shall provide staff services to the committee.

100 (2) (a) Any internal service funds managed by the department shall submit to the
101 committee a proposed rate and fee schedule for services rendered by the department to an
102 executive branch agency or an entity that subscribes to services rendered by the department.

103 (b) The committee shall:

104 (i) conduct meetings in accordance with Title 52, Chapter 4, Open and Public Meetings
105 Act;

106 (ii) review the proposed rate and fee schedule and determine if the proposed fee is
107 based on cost recovery as required by Subsection 63F-1-301(2)(b);

108 (iii) meet at least quarterly to:

109 (A) discuss the service performance of each internal service fund; and

110 [~~(iii)~~] (B) review the proposed rate and fee schedules and may approve, increase, or
111 decrease the rate and fee;

112 (iv) recommend any adjustments to the service level received by state agencies that pay
113 rates to an internal service fund;

114 [~~(iv)~~] (v) recommend a proposed rate and fee schedule for each internal service fund to:

115 (A) the Governor's Office of Management and Budget; and

116 (B) the Office of Legislative Fiscal Analyst for review by the Legislature in accordance
117 with Section 63J-1-410, which requires the Legislature to approve the internal service fund
118 agency's rates, fees, and budget in an appropriations act; and

119 [~~(v)~~] (vi) in accordance with Section 63J-1-410, review and approve, increase or
120 decrease an interim rate, fee, or amount when an internal service fund agency begins a new

121 service or introduces a new product between annual general sessions of the Legislature, which
 122 rate, fee, or amount shall be submitted to the Legislature at the next annual general session.

123 (c) The committee may, in accordance with Subsection 63J-1-410(4), decrease a rate,
 124 fee, or amount that has been approved by the Legislature.

125 Section 3. Section 67-19-11 is amended to read:

126 **67-19-11. Use of department facilities -- Field office facilities cost allocation --**
 127 **Rate committee.**

128 (1) (a) All officers and employees of the state and its political subdivisions shall allow
 129 the department to use public buildings under their control, and furnish heat, light, and furniture,
 130 for any examination, training, hearing, or investigation authorized by this chapter.

131 (b) The cost of the department's use of facilities shall be paid by the agency housing a
 132 field office staff.

133 (2) The executive director shall:

134 (a) prepare an annual budget request for the department;

135 (b) submit the budget request to the governor and the Legislature; and

136 (c) before charging a fee for services provided by the department's internal service fund
 137 to an executive branch agency, the executive director shall:

138 (i) submit the proposed rates, fees, and cost analysis to the Rate Committee established
 139 under Subsection (3); and

140 (ii) obtain the approval of the Legislature as required under Section 63J-1-410.

141 (3) (a) There is created a rate committee, which shall consist of: ~~(i) the executive~~
 142 ~~director of the Governor's Office of Management and Budget, or a designee; (ii)]~~ the executive
 143 directors of ~~[three]~~ seven state agencies that use services and pay rates to one of the department
 144 internal service funds, or ~~[their]~~ each executive director's designee, appointed by the governor
 145 for a two-year term~~];~~.

146 ~~[(iii) the director of the Division of Finance, or a designee;]~~

147 ~~[(iv) the executive director of the Department of Human Resource Management, or a~~
 148 ~~designee; and]~~

149 ~~[(v) the attorney general or designee.]~~

150 (b) (i) Of the seven executive agencies represented on the rate committee under
 151 Subsection (3)(a), only one of the following may be represented on the committee, if at all, at

152 any one time:

153 (A) the Governor's Office of Management and Budget;

154 (B) the Division of Finance;

155 (C) the Department of Administrative Services; or

156 (D) the Department of Technology Services.

157 (ii) The department may not have a representative on the rate committee.

158 ~~[(b)]~~ (c) (i) The committee shall elect a chair from its members~~[, except that the chair~~
159 ~~may not be from an agency that receives payment of a rate set by the committee].~~

160 (ii) Members of the committee who are state government employees and who do not
161 receive salary, per diem, or expenses from their agency for their service on the committee shall
162 receive no compensation, benefits, per diem, or expenses for the members' service on the
163 committee.

164 ~~[(c)]~~ (d) The [Department of Human Resource Management] department shall provide
165 staff services to the committee.

166 (4) (a) The department shall submit to the committee a proposed rate and fee schedule
167 for:

168 (i) human resource management services rendered; and

169 (ii) costs incurred by the Office of the Attorney General in defending the state in a
170 grievance under review by the Career Service Review Office.

171 (b) The committee shall:

172 (i) conduct meetings in accordance with Title 52, Chapter 4, Open and Public Meetings
173 Act;

174 (ii) meet at least quarterly to:

175 (A) discuss service performance of each internal service fund; and

176 ~~[(ii)]~~ (B) review the proposed rate and fee schedules and may approve, increase, or
177 decrease the rate and fee;

178 (iii) recommend any adjustments to the service level received by state agencies that pay
179 rates to an internal service fund;

180 ~~[(iii)]~~ (iv) recommend a proposed rate and fee schedule for the internal service fund to:

181 (A) the Governor's Office of Management and Budget; and

182 (B) the legislative appropriations subcommittees that, in accordance with Section

183 63J-1-410, approve the internal service fund rates, fees, and budget; and
184 [~~(iv)~~] (v) review and approve, increase or decrease an interim rate, fee, or amount when
185 the department begins a new service or introduces a new product between annual general
186 sessions of the Legislature.
187 (c) The committee may in accordance with Subsection 63J-1-410(4) decrease a rate,
188 fee, or amount that has been approved by the Legislature.

Legislative Review Note
Office of Legislative Research and General Counsel