

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES
APPROPRIATIONS SUBCOMMITTEE**

Room 20 House Building, State Capitol Complex
February 13, 2014

MEMBERS PRESENT: Sen. Todd Weiler, Chair
Rep. Kraig Powell, Chair
Rep. Merrill F. Nelson, Vice Chair
Sen. Curtis S. Bramble
Sen. Gene Davis
Sen. Margaret Dayton
Sen. Karen Mayne
Rep. Jack R. Draxler
Rep. Susan Duckworth
Rep. Steve Eliason
Rep. Gage Froerer
Rep. Lynn N. Hemingway
Rep. Carol Spackman Moss

MEMBERS ABSENT: Sen. Daniel W. Thatcher
Rep. Bradley G. Last

STAFF PRESENT: Mr. Brian D. Fay, Fiscal Analyst
Ms. Angela J. Oh, Economist/Statistician
Ms. Karen Mitchell, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Department of Human Resource Management

Ms. Debbie Cragun, Executive Director, assisted by Ms. Letty Debenham, DHRM Finance Director, provided a handout. Ms. Cragun briefly reviewed the reductions made to their department at the January 30, 2014 meeting. After analyzing the effects of the cuts made in lapsing and reductions of \$559,900, the department felt they could handle the cuts.

Ms. Cragun, however, stated they are concerned about their IT budget and explained the various systems they maintain: HRE houses all the employee information for the three branches of state government. The information is then transferred nightly to SAP: Payroll which cuts the checks and deducts taxes for the 22,000 state employees. Utah Performance Management keeps performance records on employees where supervisors can go into the system and set goals, targets, performance measurements and career development, all recorded electronically. They also keep evaluations and keep notes on performance discussions at the end of the year. All of this information feeds into HRE. Business Intelligence extracts data for reports for the Governor's Office, the Legislature, or other agencies. HREventure program is where employees

can sign up for training. Employee Gateway is where employees can go on their own to get information about benefits or policies they are interested in. Case Management can track performance of staff, call volume, and what types of calls they are getting. Onboarding is a new system which all newly hired employees go through when hired to track benefits, etc. State Jobs 2 is where job applicants can find out what jobs are available in the state and apply for these jobs. Recruiters can then work with the hiring managers to hire the highest quality applicants. Employee Personnel Action Request is how their field offices feed information regarding promotions, transfers, and address changes for processing.

Ms. Cragun further asked to reinstate a portion of the nonlapsing funds the committee cut in the January 30, 2014 meeting. They are asking for \$118,900 in FY 2015 be reinstated and \$300,000 beginning nonlapsing balance of FY 2014 be reinstated to cover expenses for FY 2014 and FY 2015. The HRE system, that feeds into all of the above mentioned systems, especially payroll, was built in 1998 and upgraded in 2008. It is not keeping up with technological advances and is difficult to maintain. Because of the sensitive data stored in the system they are more susceptible to hackers. It has been recommended they have a complete rebuild of HRE at the cost of \$626,546. They are asking for \$300,000 in nonlapsing balances be reinstated to begin the rebuild.

Ms. Cragun responded to questions from the committee regarding expenses and upgrades the department had not anticipated. Mr. Brent Cleverly, IT Director for the Department of Technology Services, further explained the needs in the IT department are sometimes not projected. The committee encouraged the department to be more transparent in their budget building block requests to the Legislature in the future.

HB 284 - Public Employee Health Benefits

Rep. Angela Romero explained that HB 284 would modify Public Employee health benefits and insurance program and would allow an unmarried employee to have an adult designee. The estimated cost involved would be \$1.4 million.

Rep. Romero responded to questions from the committee.

Committee Action

MOTION: Rep. Powell moved to place on the Prioritization List: (1) DHRM IT Projects for FY 2014 one-time funds of \$250,000 and (2) Heber Valley Railroad for FY 2014 one-time funds of \$250,000. The motion passed unanimously.

MOTION: Sen. Dayton moved to reduce the Leonardo's request from \$1 million one-time to \$750,000 one-time funding. The motion passed unanimously.

MOTION: Sen. Dayton moved to approve and forward, to the Executive Appropriations Committee, for further consideration, the Subcommittee's budget priorities for ongoing and one-time funding adjustments as outlined on the sheet titled "Retirement and Independent Entities Appropriations Subcommittee Requests for Appropriation Prioritization List." The motion passed with Rep. Eliason voting in opposition.

Public Employee Health Benefits

Mr. Chet Loftis, Director, explained the anticipated outcome of ConSova audit.

MOTION: Sen. Dayton moved to adjourn. The motion passed unanimously with Sen. Bramble, Sen. Davis, Sen. Thatcher, Rep. Froerer, and Rep. Last absent for the vote.

Sen. Weiler adjourned the meeting at 7:52 a.m.

Sen. Todd Weiler, Chair

Rep. Kraig Powell, Chair