

Senator Terry R. Spencer proposes to substitute the following bill:

PERSONNEL MANAGEMENT ACT AMENDMENTS

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Terry R. Spencer

AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES; OUTLINING PRINCIPLES GOVERNING THE CAREER SERVICE SYSTEM; AMENDING PROVISIONS FOR VOLUNTARY ACCEPTANCE OF LOWER POSITIONS AND DISMISSALS AND DEMOTIONS; REDEFINING MERIT STEP INCREMENTS; MODIFYING SALARY RANGE REQUIREMENTS FOR CERTAIN PROMOTIONS AND RECLASSIFICATIONS; MAKING TECHNICAL CORRECTIONS; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

67-19-12, as last amended by Chapters 10, 202 and 213, Laws of Utah 1997

67-19-15.7, as last amended by Chapter 213, Laws of Utah 1997

ENACTS:

67-19-3.1, Utah Code Annotated 1953

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

Section 1. Section **67-19-3.1** is enacted to read:

67-19-3.1. Principles governing interpretation of act and adoption of rules.

(1) The department shall establish a career service system designed in a manner that will provide for the effective implementation, by agencies, of the following merit principles:

(a) recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;

(b) providing for equitable and competitive compensation;

(c) training employees as needed to assure high-quality performance;

26 (d) retaining employees on the basis of the adequacy of their performance and separating
27 employees whose inadequate performance cannot be corrected;

28 (e) fair treatment of applicants and employees in all aspects of personnel administration
29 without regard to race, color, religion, sex, national origin, political affiliation, age, or disability,
30 and with proper regard for their privacy and constitutional rights as citizens;

31 (f) providing information to employees regarding their political rights and the prohibited
32 practices under the Hatch Act; and

33 (g) providing a formal procedure for processing the appeals and grievances of employees
34 without discrimination, coercion, restraint, or reprisal.

35 (2) The principles in Subsection (1) shall govern interpretation and implementation of this
36 chapter.

37 Section 2. Section **67-19-12** is amended to read:

38 **67-19-12. State pay plans -- Applicability of section -- Exemptions from section --**
39 **Duties of director.**

40 (1) (a) This section, and the rules adopted by the department to implement this section,
41 apply to each career and noncareer state employee not specifically exempted under Subsection (2).

42 (b) If not exempted under Subsection (2), a state employee is considered to be in classified
43 service.

44 (2) The following state employees are exempt from this section:

45 (a) members of the Legislature and legislative employees;

46 (b) members of the judiciary and judicial employees;

47 (c) elected members of the executive branch and their direct staff who meet career service
48 exempt criteria as defined in Subsection 67-19-15(1)(k);

49 (d) certificated employees of the State Board of Education;

50 (e) officers, faculty, and other employees of state institutions of higher education;

51 (f) employees in any position that is determined by statute to be exempt from this

52 Subsection (2);

53 (g) attorneys in the Office of the Attorney General;

54 (h) department heads and other persons appointed by the governor pursuant to statute;

55 (i) employees of the Department of Community and Economic Development whose
56 positions are designated as executive/professional positions by the executive director of the

57 Department of Community and Economic Development with the concurrence of the director; and

58 (j) employees of the Medical Education Council.

59 (3) (a) The director shall prepare, maintain, and revise a position classification plan for
60 each employee position not exempted under Subsection (2) to provide equal pay for equal work.

61 (b) Classification of positions shall be based upon similarity of duties performed and
62 responsibilities assumed, so that the same job requirements and the same salary range may be
63 applied equitably to each position in the same class.

64 (c) The director shall allocate or reallocate the position of each employee in classified
65 service to one of the classes in the classification plan.

66 (d) (i) The department shall conduct periodic studies and desk audits to provide that the
67 classification plan remains reasonably current and reflects the duties and responsibilities assigned
68 to and performed by employees.

69 (ii) The director shall determine the schedule for studies and desk audits after considering
70 factors such as changes in duties and responsibilities of positions or agency reorganizations.

71 (4) (a) With the approval of the governor, the director shall develop and adopt pay plans
72 for each position in classified service.

73 (b) The director shall design each pay plan to achieve, to the degree that funds permit,
74 comparability of state salary ranges to salary ranges used by private enterprise and other public
75 employment for similar work.

76 (c) The director shall adhere to the following in developing each pay plan:

77 (i) Each pay plan shall consist of sufficient salary ranges to permit adequate salary
78 differential among the various classes of positions in the classification plan.

79 (ii) The director shall assign each class of positions in the classification plan to a salary
80 range and shall set the width of the salary range to reflect the normal growth and productivity
81 potential of employees in that class. The width of the ranges need not be uniform for all classes
82 of positions in the plan, but each range shall contain merit steps in increments of [~~2.75%~~] 3%
83 salary increases.

84 (iii) The director shall issue rules for the administration of pay plans. The rules may
85 provide for exceptional performance increases and for a program of incentive awards for
86 cost-saving suggestions and other commendable acts of employees. The director shall issue rules
87 providing for salary adjustments.

88 (iv) Merit step increases shall be granted, if funds are available, to employees who receive
89 a rating of "successful" or higher in an annual evaluation of their productivity and performance.

90 (v) By October 15 of each year, the director shall submit market comparability adjustments
91 to the state budget officer for consideration to be included as part of the affected agency's base
92 budgets.

93 (vi) By October 31 of each year, the director shall recommend a compensation package
94 to the governor.

95 (vii) Adjustments shall incorporate the results of a total compensation market survey of
96 salary ranges and benefits of a reasonable cross section of comparable benchmark positions in
97 private and public employment in the state. The survey may also study comparable unusual
98 positions requiring recruitment outside Utah in the surrounding western states. The director may
99 cooperate with other public and private employers in conducting the survey.

100 (viii) The director shall establish criteria to assure the adequacy and accuracy of the survey
101 and shall use methods and techniques similar to and consistent with those used in private sector
102 surveys. Except as provided under Section 67-19-12.3, the survey shall include a reasonable cross
103 section of employers. The director may cooperate with or participate in any survey conducted by
104 other public and private employers.

105 (ix) The establishing of a salary range is a nondelegable activity subject to Subsection
106 67-19-8(1) and is not appealable under the grievance procedures of Sections 67-19-30 through
107 67-19-32, Title 67, Chapter 19a, Grievance and Appeal Procedures, or otherwise.

108 (x) The governor shall:

109 (A) consider salary adjustments recommended under Subsection (4)(c)(vi) in preparing
110 the executive budget and shall recommend the method of distributing the adjustments;

111 (B) submit compensation recommendations to the Legislature; and

112 (C) support the recommendation with schedules indicating the cost to individual
113 departments and the source of funds.

114 (xi) If funding is approved by the Legislature in a general appropriations act, the
115 adjustments take effect on the July 1 following the enactment.

116 (5) (a) The director shall regularly evaluate the total compensation program of state
117 employees in the classified service.

118 (b) The department shall determine if employee benefits are comparable to those offered

119 by other private and public employers using information from:

120 (i) the most recent edition of the Employee Benefits Survey Data conducted by the U.S.
121 Chamber of Commerce Research Center; or

122 (ii) the most recent edition of a nationally recognized benefits survey.

123 (6) (a) The director shall submit proposals for a state employee compensation plan to the
124 governor by October 31 of each year, setting forth findings and recommendations affecting state
125 employee compensation.

126 (b) The governor shall consider the director's proposals in preparing budget
127 recommendations for the Legislature.

128 (c) The governor's budget proposals to the Legislature shall include a specific
129 recommendation on state employee compensation.

130 Section 3. Section **67-19-15.7** is amended to read:

131 **67-19-15.7. Promotion -- Reclassification -- Market adjustment.**

132 (1) (a) Each employee who is promoted or whose position is reclassified to the next higher
133 salary range shall be placed at the merit step within the new range corresponding to a salary
134 increase of between [~~2.75%~~] 3% and [~~11%~~] 12%.

135 (b) The employee may not be placed higher than the highest merit step in the new salary
136 range.

137 (2) (a) Each employee who is promoted or whose position is reclassified to a salary range
138 higher than the next higher range shall be placed at the merit step within the new range
139 corresponding to a salary increase of between [~~5.5%~~] 6% and [~~11%~~] 12%.

140 (b) The employee may not be placed lower than the lowest merit step in the new salary
141 range.

142 [~~(3) Each employee who voluntarily accepts a position in the next lower salary range shall~~
143 ~~be placed at the merit step within the new range corresponding to a salary decrease of 2.75% or~~
144 ~~as close to 2.75% as possible. The employee may not be placed lower than the lowest merit step~~
145 ~~in the new salary range.]~~

146 [~~(4) Each employee who voluntarily accepts a position in a salary range lower than the~~
147 ~~next lower range shall be placed at the merit step within the new range corresponding to a salary~~
148 ~~decrease of 5.5% or as close to 5.5% as possible. The employee may not be placed higher than the~~
149 ~~highest merit step in the new salary range.]~~

150 [~~(5)~~] (3) (a) Each employee whose salary range is approved by the Legislature for a
151 selective salary adjustment consistent with Subsection 67-19-12(4)(c)(viii) shall be adjusted to the
152 new range at the beginning of the next fiscal year.

153 (b) Employees shall be placed at the step value on the new range consistent with the
154 appropriation authorized by the Legislature.

155 [~~(6)~~] (4) (a) Department-initiated revisions in the state classification system that result in
156 consolidation or reduction of class titles or broadening of pay ranges may not be regarded as a
157 reclassification of the position or promotion of the employee.

158 (b) These revisions are exempt from the provisions of Subsections (1) and (2).

159 Section 4. **Effective date.**

160 This act takes effect on July 1, 2001.