

EXECUTIVE COMPENSATION REVISIONS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: David Clark

LONG TITLE

General Description:

This bill increases compensation for the state's constitutional officers and adds two positions to the list of appointed executives.

Highlighted Provisions:

This bill:

- ▶ increases compensation for the governor, lieutenant governor, attorney general, state treasurer, and state auditor;
- ▶ provides that the state auditor's salary is 95% of the governor's salary;
- ▶ adds the executive directors of the Department of Veterans Affairs and the Utah Sports Authority to the list of appointed executives whose salary is governed by the appointed executives' compensation plan; and
- ▶ makes technical corrections.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on June 28, 2008.

Utah Code Sections Affected:

AMENDS:

67-22-1, as last amended by Laws of Utah 2007, Chapters 13 and 73

67-22-2, as last amended by Laws of Utah 2007, Chapters 34 and 73



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

Section 1. Section **67-22-1** is amended to read:

67-22-1. Compensation -- Constitutional offices.

(1) The Legislature fixes salaries for the constitutional offices as follows:

- (a) governor: ~~[\$107,200]~~ \$109,900;
- (b) lieutenant governor: 95% of the governor's salary;
- (c) attorney general: 95% of the governor's salary;
- (d) state auditor: ~~[\$86,000]~~ 95% of the governor's salary beginning June 28, 2008; and
- (e) state treasurer: 95% of the governor's salary [~~beginning~~ July 1, 2007].

(2) The Legislature fixes benefits for the constitutional offices as follows:

- (a) Governor:
 - (i) a vehicle for official and personal use;
 - (ii) housing;
 - (iii) household and security staff;
 - (iv) household expenses;
 - (v) retirement benefits as provided in Title 49;
 - (vi) health insurance;
 - (vii) dental insurance;
 - (viii) basic life insurance;
 - (ix) workers' compensation;
 - (x) required employer contribution to Social Security;
 - (xi) long-term disability income insurance; and
 - (xii) the same additional state paid life insurance available to other noncareer service

employees.

(b) Lieutenant governor, attorney general, state auditor, and state treasurer:

- (i) a vehicle for official and personal use;
- (ii) the option of participating in a state retirement system established by Title 49,

Chapter 12, Public Employees' Contributory Retirement Act, or Chapter 13, Public Employees'

59 Noncontributory Retirement Act, or in a deferred compensation plan administered by the State
60 Retirement Office, in accordance with the Internal Revenue Code and its accompanying rules
61 and regulations;

- 62 (iii) health insurance;
- 63 (iv) dental insurance;
- 64 (v) basic life insurance;
- 65 (vi) workers' compensation;
- 66 (vii) required employer contribution to Social Security;
- 67 (viii) long-term disability income insurance; and
- 68 (ix) the same additional state paid life insurance available to other noncareer service
69 employees.

70 (c) Each constitutional office shall pay the cost of the additional state-paid life
71 insurance for its constitutional officer from its existing budget.

72 Section 2. Section **67-22-2** is amended to read:

73 **67-22-2. Compensation -- Other state officers.**

74 (1) As used in this section:

75 (a) "Appointed executive" means the:

- 76 (i) Commissioner of the Department of Agriculture and Food;
- 77 (ii) Commissioner of the Insurance Department;
- 78 (iii) Commissioner of the Labor Commission;
- 79 (iv) Director, Alcoholic Beverage Control Commission;
- 80 (v) Commissioner of the Department of Financial Institutions;
- 81 (vi) Executive Director, Department of Commerce;
- 82 (vii) Executive Director, Commission on Criminal and Juvenile Justice;
- 83 (viii) Adjutant General;
- 84 (ix) Executive Director, Department of Community and Culture;
- 85 (x) Executive Director, Department of Corrections;
- 86 (xi) Commissioner, Department of Public Safety;
- 87 (xii) Executive Director, Department of Natural Resources;
- 88 (xiii) Director, Governor's Office of Planning and Budget;
- 89 (xiv) Executive Director, Department of Administrative Services;

- 90 (xv) Executive Director, Department of Human Resource Management;
- 91 (xvi) Executive Director, Department of Environmental Quality;
- 92 (xvii) Director, Governor's Office of Economic Development;
- 93 (xviii) Executive Director, Utah Science Technology and Research Governing

94 Authority;

- 95 (xix) Executive Director, Department of Workforce Services;
- 96 (xx) Executive Director, Department of Health, Nonphysician;
- 97 (xxi) Executive Director, Department of Human Services;
- 98 (xxii) Executive Director, Department of Transportation; [~~and~~]
- 99 (xxiii) Executive Director, Department of Technology Services[-];
- 100 (xxiv) Executive Director, Department of Veterans Affairs; and
- 101 (xxv) Executive Director, Utah Sports Authority.

102 (b) "Board or commission executive" means:

- 103 (i) Members, Board of Pardons and Parole;
- 104 (ii) Chair, State Tax Commission;
- 105 (iii) Commissioners, State Tax Commission;
- 106 (iv) Executive Director, State Tax Commission;
- 107 (v) Chair, Public Service Commission; and
- 108 (vi) Commissioners, Public Service Commission.

109 (c) "Deputy" means the person who acts as the appointed executive's second in
110 command as determined by the Department of Human Resource Management.

111 (2) (a) The executive director of the Department of Human Resource Management
112 shall:

- 113 (i) before October 31 of each year, recommend to the governor a compensation plan for
114 the appointed executives and the board or commission executives; and
- 115 (ii) base those recommendations on market salary studies conducted by the Department
116 of Human Resource Management.

117 (b) (i) The Department of Human Resource Management shall determine the salary
118 range for the appointed executives by:

- 119 (A) identifying the salary range assigned to the appointed executive's deputy;
- 120 (B) designating the lowest minimum salary from those deputies' salary ranges as the

121 minimum salary for the appointed executives' salary range; and

122 (C) designating 105% of the highest maximum salary range from those deputies' salary
123 ranges as the maximum salary for the appointed executives' salary range.

124 (ii) If the deputy is a medical doctor, the Department of Human Resource Management
125 may not consider that deputy's salary range in designating the salary range for appointed
126 executives.

127 (c) In establishing the salary ranges for board or commission executives, the
128 Department of Human Resource Management shall set the maximum salary in the salary range
129 for each of those positions at ~~[90 percent]~~ 90% of the salary for district judges as established in
130 the annual appropriation act under Section 67-8-2.

131 (3) (a) (i) Except as provided in Subsection (3)(a)(ii), the governor shall establish a
132 specific salary for each appointed executive within the range established under Subsection
133 (2)(b).

134 (ii) If the executive director of the Department of Health is a physician, the governor
135 shall establish a salary within the highest physician salary range established by the Department
136 of Human Resource Management.

137 (iii) The governor may provide salary increases for appointed executives within the
138 range established by Subsection (2)(b) and identified in Subsection (3)(a)(ii).

139 (b) The governor shall apply the same overtime regulations applicable to other FLSA
140 exempt positions.

141 (c) The governor may develop standards and criteria for reviewing the appointed
142 executives.

143 (4) Salaries for other Schedule A employees, as defined in Section 67-19-15, that are
144 not provided for in this chapter, or in Title 67, Chapter 8, Utah Executive and Judicial Salary
145 Act, shall be established as provided in Section 67-19-15.

146 (5) (a) The Legislature fixes benefits for the appointed executives and the board or
147 commission executives as follows:

148 (i) the option of participating in a state retirement system established by Title 49, Utah
149 State Retirement and Insurance Benefit Act, or in a deferred compensation plan administered
150 by the State Retirement Office in accordance with the Internal Revenue Code and its
151 accompanying rules and regulations;

- 152 (ii) health insurance;
- 153 (iii) dental insurance;
- 154 (iv) basic life insurance;
- 155 (v) unemployment compensation;
- 156 (vi) workers' compensation;
- 157 (vii) required employer contribution to Social Security;
- 158 (viii) long-term disability income insurance;
- 159 (ix) the same additional state-paid life insurance available to other noncareer service
- 160 employees;
- 161 (x) the same severance pay available to other noncareer service employees;
- 162 (xi) the same leave, holidays, and allowances granted to Schedule B state employees as
- 163 follows:
- 164 (A) sick leave;
- 165 (B) converted sick leave if accrued prior to January 1, 2014;
- 166 (C) educational allowances;
- 167 (D) holidays; and
- 168 (E) annual leave except that annual leave shall be accrued at the maximum rate
- 169 provided to Schedule B state employees;
- 170 (xii) the option to convert accumulated sick leave to cash or insurance benefits as
- 171 provided by law or rule upon resignation or retirement according to the same criteria and
- 172 procedures applied to Schedule B state employees;
- 173 (xiii) the option to purchase additional life insurance at group insurance rates according
- 174 to the same criteria and procedures applied to Schedule B state employees; and
- 175 (xiv) professional memberships if being a member of the professional organization is a
- 176 requirement of the position.
- 177 (b) Each department shall pay the cost of additional state-paid life insurance for its
- 178 executive director from its existing budget.
- 179 (6) The Legislature fixes the following additional benefits:
- 180 (a) for the executive director of the State Tax Commission a vehicle for official and
- 181 personal use;
- 182 (b) for the executive director of the Department of Transportation a vehicle for official

183 and personal use;
184 (c) for the executive director of the Department of Natural Resources a vehicle for
185 commute and official use;
186 (d) for the Commissioner of Public Safety:
187 (i) an accidental death insurance policy if POST certified; and
188 (ii) a public safety vehicle for official and personal use;
189 (e) for the executive director of the Department of Corrections:
190 (i) an accidental death insurance policy if POST certified; and
191 (ii) a public safety vehicle for official and personal use;
192 (f) for the Adjutant General a vehicle for official and personal use; and
193 (g) for each member of the Board of Pardons and Parole a vehicle for commute and
194 official use.

195 Section 3. **Effective date.**

196 This bill takes effect on June 28, 2008.

Legislative Review Note
as of 2-29-08 4:11 PM

Office of Legislative Research and General Counsel

S.B. 5 - Executive Compensation Revisions

Fiscal Note

2008 General Session
State of Utah

State Impact

Except for the provision related to the state auditor, salary increases of certain elected officials and other executives of the state are covered in House Bill 4 of the 2008 General Session. Increasing the salary of the state auditor to 95% of the governor's salary will require an ongoing General Fund appropriation of \$16,200 over the amount appropriated in HB 4.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
General Fund	\$0	\$16,200	\$16,200	\$0	\$0	\$0
Total	\$0	\$16,200	\$16,200	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments. Salaries of constitutional officers and other state officers covered under UCA 67-22-1 and UCA 67-22-2 will increase.