

**HUMAN RESOURCE MANAGEMENT MARKET RESEARCH**

**AMENDMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Eric K. Hutchings**

Senate Sponsor: Todd Weiler

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**LONG TITLE**

**General Description:**

This bill amends provisions related to human resource management.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ exempts certain employees from and amends provisions related to a position classification plan;
- ▶ requires the executive director to submit an annual compensation plan to the governor;
- ▶ repeals outdated language; and
- ▶ makes technical and conforming amendments.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

**⚡→ [None] This bill provides a special effective date. ←⚡**

**Utah Code Sections Affected:**

AMENDS:

**49-20-401**, as last amended by Laws of Utah 2012, Chapters 28 and 173

**67-19-3**, as last amended by Laws of Utah 2013, Chapter 109



214 Grievance Procedures, or otherwise.

215 ~~[(B)]~~ (e) The executive director shall issue rules providing for [salary adjustments]:

216 ~~[(iv) Merit increases shall be granted, on a uniform and consistent basis in accordance~~  
217 ~~with appropriations made by the Legislature, to employees who receive a rating of "successful"~~  
218 ~~or higher in an annual evaluation of their productivity and performance.]~~

219 ~~[(v) By October 31 of each year, the executive director shall submit market~~  
220 ~~comparability adjustments to the executive director of the Governor's Office of Management~~  
221 ~~and Budget for consideration to be included as part of the affected agency's base budgets.]~~

222 ~~[(vi) By October 31 of each year, the executive director shall recommend a~~  
223 ~~compensation package to the governor.]~~

224 ~~[(vii) (A) Adjustments shall incorporate the results of a total compensation market~~  
225 ~~survey of salary ranges and benefits of a reasonable cross-section of comparable benchmark~~  
226 ~~positions in private and public employment in the state.]~~

227 ~~[(B) The survey may also study comparable unusual positions requiring recruitment in~~  
228 ~~other states.]~~

229 ~~[(C) The executive director may cooperate with other public and private employers in~~  
230 ~~conducting the survey.]~~

231 (i) agency approved salary adjustments within approved salary ranges, including an  
232 administrative salary adjustment;

233 (ii) legislatively approved salary adjustments within approved salary ranges, including  
234 a merit increase ~~H→~~, subject to Subsection (4)(f), ~~←H~~ or general increase; and

235 (iii) structure adjustments that modify salary ranges, including a cost of living  
236 adjustment or market comparability adjustment.

236a **~~H→~~ (f) A merit increase shall be granted on a uniform and consistent basis to each**  
236b **employee who receives a rating of "successful" or higher in an annual evaluation of the**  
236c **employee's productivity and performance. ~~←H~~**

237 (5) (a) By October 31 of each year, the executive director shall submit an annual  
238 compensation plan to the governor for consideration in the executive budget.

239 (b) The plan described in Subsection (5)(a) may include recommendations, including:

240 (i) salary increases that generally affect employees, including a general increase or  
241 merit increase;

242 (ii) salary increases that address compensation issues unique to an agency or  
243 occupation;

244 (iii) structure adjustments, including a cost of living adjustment or market

245 comparability adjustment; or

246 (iv) changes to employee benefits.

247 (c) (i) ~~H~~→ (A) [The] Subject to Subsection (5)(c)(i)(B) or (C), ~~←H~~ executive director  
 247a shall incorporate the results of a salary survey of a  
 248 reasonable cross section of comparable positions in private and public employment in the state  
 249 into the annual compensation plan.

249a ~~H~~→ (B) The salary survey for a law enforcement officer, as defined in Section 53-13-103, a  
 249b correctional officer, as defined in Section 53-13-104, or a dispatcher, as defined in Section  
 249c 53-6-102, shall at minimum include the three largest political subdivisions in the state that  
 249d employ, respectively, comparable positions.

249e (C) The salary survey for an examiner or supervisor described in Title 7, Chapter 1,  
 249f Part 2, Department of Financial Institutions, shall at minimum include the Federal Deposit  
 249g Insurance Corporation, Federal Reserve, and National Credit Union Administration. ~~←H~~

250 [(viii)-(A)] ~~H~~→ [(ii)-The executive director shall establish criteria to assure the adequacy and  
 251 accuracy of the survey and shall use methods and techniques similar to and consistent with  
 252 those used in private sector surveys.] ~~←H~~

253 [(B)-Except as provided under Sections 67-19-12.1 and 67-19-12.3, the survey shall  
 254 include a reasonable cross section of employers.]

255 [(E)] ~~H~~→ [(iii)] (ii) ~~←H~~ The executive director may cooperate with or participate  
 255a in any survey  
 256 conducted by other public and private employers.

257 [(D)] ~~H~~→ [(iv)] (iii) ~~←H~~ The executive director shall obtain information for the purpose of  
 258 constructing the survey from the Division of Workforce Information and Payment Services and  
 259 shall include employer name, number of persons employed by the employer, employer contact  
 260 information and job titles, county code, and salary if available.

261 [(E)] ~~H~~→ [(v)] (iv) ~~←H~~ The department shall acquire and protect the needed records in  
 261a compliance  
 262 with the provisions of Section 35A-4-312.

263 [(ix)-The establishing of a salary range is a nondelegable activity and is not appealable  
 264 under the grievance procedures of Sections 67-19-30 through 67-19-32, Chapter 19a,  
 265 Grievance Procedures, or otherwise.]

266 (d) The executive director may incorporate any other relevant information in the plan  
 267 described in Subsection (5)(a), including information on staff turnover, recruitment data, or  
 268 external market trends.

268a ~~H~~→ (e) The executive director shall:

268b (i) establish criteria to assure the adequacy and accuracy of data used to make  
 268c recommendations described in this Subsection (5); and

268d (ii) when preparing recommendations use accepted methodologies and techniques  
 268e similar to and consistent with those used in the private sector.

268f (f)(i) Upon request and subject to Subsection (5)(f)(ii), the department shall make ~~←H~~

- 268g **⊕ available foundational information used by the department or director in the drafting of a**  
 268h **plan described in Subsection (5)(a), including:**
- 268i **(A) demographic and labor market information;**
  - 268j **(B) information on employee turnover;**
  - 268k **(C) salary information;**
  - 268l **(D) information on recruitment; and**
  - 268m **(E) geographic data.**
  - 268n **(ii) The department may not provide under Subsection (5)(f)(i) information or other**  
 268o **data that is proprietary or otherwise protected under the terms of a contract or by law. ←H**
- 269 [~~x~~] ~~H~~→ [~~e~~] [~~f~~] (g) ←~~H~~ The governor shall:
- 270 [~~A~~] (i) consider salary and structure adjustments recommended under Subsection  
 271 [~~4~~)(c)(vi)] (5)(b) in preparing the executive budget and shall recommend the method of  
 272 distributing the adjustments;
- 273 [~~B~~] (ii) submit compensation recommendations to the Legislature; and
- 274 [~~C~~] (iii) support the recommendation with schedules indicating the cost to individual  
 275 departments and the source of funds.

276           ~~[(xi)]~~ ~~H~~→ ~~(f)~~ ~~(g)~~ ~~(h)~~ ←~~H~~ If funding is approved by the Legislature in a general  
 276a appropriations act, the  
 277 adjustments take effect on the July 1 following the enactment unless otherwise indicated.

278           ~~(5)~~ (6) (a) The executive director shall issue rules for the granting of incentive  
 279 awards, including awards for cost saving actions, awards for commendable actions by an  
 280 employee, or a market-based award to attract or retain employees.

281           (b) An agency may not grant a market-based award unless the award is previously  
 282 approved by the department.

283           (c) In accordance with Subsection ~~(5)~~ (6)(b), an agency requesting the department's  
 284 approval of a market-based award shall submit a request and documentation, subject to  
 285 Subsection ~~(5)~~ (6)(d), to the department.

286           (d) In the documentation required in Subsection ~~(5)~~ (6)(c), the requesting agency  
 287 shall identify for the department:

288           (i) any benefit the market-based award would provide for the agency, including:

289           (A) budgetary advantages; or

290           (B) recruitment advantages;

291           (ii) a mission critical need to attract or retain unique or hard to find skills in the market;

292 or

293           (iii) any other advantage the agency would gain through the utilization of a  
 294 market-based award.

295           ~~(6)~~ (7) (a) The executive director shall regularly evaluate the total compensation  
 296 program of state employees in the classified service.

297           (b) The department shall determine if employee benefits are comparable to those  
 298 offered by other private and public employers using information from:

299           ~~[(i) the most recent edition of the Employee Benefits Survey Data conducted by the  
 300 U.S. Chamber of Commerce Research Center; or]~~

301           (i) a study conducted by a third-party consultant; or

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

303           ~~(7)(a) The executive director shall submit proposals for a state employee  
 304 compensation plan to the governor by October 31 of each year, setting forth findings and  
 305 recommendations affecting employee compensation.]~~

306           ~~[(b) The governor shall consider the executive director's proposals in preparing budget~~

338 (a) at the beginning of the next fiscal year; and  
 339 (b) consistent with appropriations made by the Legislature.  
 340 (3) Department-initiated revisions in the state classification system that result in  
 341 consolidation or reduction of class titles or broadening of pay ranges:

342 (a) may not be regarded as a reclassification of the position or promotion of the  
 343 employee; and

344 (b) are exempt from the provisions of Subsection (1).

345 **Section 6. Repealer.**

346 This bill repeals:

347 Section 67-19-12.1, Department of Financial Institutions pay plans.

348 Section 67-19-12.3, Peace officer, correctional officer, and public safety dispatch  
 349 personnel pay plans.

349a **Ĥ→ Section 7. Effective date.**

349b **This bill takes effect on July 1, 2015. ←Ĥ**

**Legislative Review Note**  
 as of 2-2-15 7:33 AM

**Office of Legislative Research and General Counsel**