

**RATE COMMITTEE MODIFICATIONS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David P. Hinkins**

House Sponsor: Mike K. McKell

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**LONG TITLE**

**General Description:**

This bill amends language related to a rate committee.

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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*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 designee, appointed by the governor for a two-year term~~];~~.

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

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

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

38 (b) (i) Of the seven state agencies represented on the rate committee under Subsection

39 (1)(a), only one of the following may be represented on the committee, if at all, at any one  
40 time:

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

42 (B) the Division of Finance; or

43 (C) the Department of Technology Services.

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

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

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

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

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

57 (b) The committee shall:

58 (i) conduct meetings in accordance with Title 52, Chapter 4, Open and Public Meetings

59 Act;

60 (ii) meet at least quarterly to discuss service performance of each internal service fund  
 61 and review the proposed rate and fee schedules and may approve, increase, or decrease the rate  
 62 and fee;

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

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

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

68 (B) the legislative appropriations subcommittees that, in accordance with Section  
 69 63J-1-410, approve the internal service fund agency's rates, fees, and budget; and

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

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

75 Section 2. Section 63F-1-302 is amended to read:

76 **63F-1-302. Information Technology Rate Committee -- Membership -- Duties.**

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

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

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

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

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

88 (B) the Division of Finance; or

89 (C) the Department of Administrative Services.

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

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

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

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

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

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

101 (b) The committee shall:

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

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

106 (iii) meet at least quarterly to discuss the service performance of each internal service  
107 fund and review the proposed rate and fee schedules and may approve, increase, or decrease the  
108 rate and fee;

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

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

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

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

116 [~~(v)~~] (vi) in accordance with Section 63J-1-410, review and approve, increase or  
117 decrease an interim rate, fee, or amount when an internal service fund agency begins a new  
118 service or introduces a new product between annual general sessions of the Legislature, which  
119 rate, fee, or amount shall be submitted to the Legislature at the next annual general session.

120 (c) The committee may, in accordance with Subsection 63J-1-410(4), decrease a rate,

121 fee, or amount that has been approved by the Legislature.

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

123 **67-19-11. Use of department facilities -- Field office facilities cost allocation --**  
 124 **Rate committee.**

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

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

130 (2) The executive director shall:

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

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

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

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

137 (ii) obtain the approval of the Legislature as required under Section [63J-1-410](#).

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

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

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

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

146 (b) (i) Of the seven executive agencies represented on the rate committee under  
 147 Subsection (3)(a), only one of the following may be represented on the committee, if at all, at  
 148 any one time:

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

150 (B) the Division of Finance;

151 (C) the Department of Administrative Services; or

152 (D) the Department of Technology Services.

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

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

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

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

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

164 (i) human resource management services rendered; and

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

167 (b) The committee shall:

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

170 (ii) meet at least quarterly to discuss service performance of each internal service fund  
171 and review the proposed rate and fee schedules and may approve, increase, or decrease the rate  
172 and fee;

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

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

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

177 (B) the legislative appropriations subcommittees that, in accordance with Section  
178 [63J-1-410](#), approve the internal service fund rates, fees, and budget; and

179 ~~[(iv)] (v)~~ review and approve, increase or decrease an interim rate, fee, or amount when  
180 the department begins a new service or introduces a new product between annual general  
181 sessions of the Legislature.

182 (c) The committee may in accordance with Subsection [63J-1-410](#)(4) decrease a rate,

183 fee, or amount that has been approved by the Legislature.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**