

## SB0052S01 compared with SB0052

~~deleted text~~ shows text that was in SB0052 but was deleted in SB0052S01.

inserted text shows text that was not in SB0052 but was inserted into SB0052S01.

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Representative Mike K. McKell proposes the following substitute bill:

### 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~~a rate committee to:
  - meet ~~quarterly~~at least once each calendar year; and
  - ~~recommend~~discuss adjustments to service levels received by state agencies;and
- ▶ makes technical and conforming changes.

##### Money Appropriated in this Bill:

None

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### Other Special Clauses:

~~{ None }~~ This bill provides a coordination clause.

### 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

### Utah Code Sections Affected by Coordination Clause:

**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:*

Section 1. Section **63A-1-114** is amended to read:

#### **63A-1-114. Rate committee -- Membership -- Duties.**

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

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

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

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

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

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

(B) the Division of Finance; or

(C) the Department of Technology Services.

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

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

(ii) Members of the committee who are state government employees and who do not

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receive salary, per diem, or expenses from their agency for their service on the committee shall receive no compensation, benefits, per diem, or expenses for the members' service on the committee.

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

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

(b) The committee shall:

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

(ii) meet at least ~~quarterly~~ once each calendar year to:

(A) discuss the service performance of each internal service fund ~~and~~;

~~(ii)~~ (B) review the proposed rate and fee schedules ~~and may~~;

(C) at the rate committee's discretion, approve, increase, or decrease the rate and fee ~~;~~

~~(iii) recommend any ~~;~~ schedules described in Subsection (2)(b)(ii)(B); and~~

(D) discuss any prior or recommended adjustments to the service level received by state agencies that pay rates to an internal service fund;

~~(iii)~~ ~~(iv)~~ recommend a proposed rate and fee schedule for each internal service fund to:

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

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

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

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

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

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

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

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

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

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

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

(B) the Division of Finance; or

(C) the Department of Administrative Services.

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

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

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

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

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

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

(b) The committee shall:

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

~~[(ii)]~~ (ii) meet at least once each calendar year to:

(A) discuss the service performance of each internal service fund;

~~[(ii)]~~ (B) review the proposed rate and fee [schedule and] schedules;

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(C) determine ~~if the~~ whether each proposed fee is based on cost recovery as required by Subsection 63F-1-301(2)(b);

~~[(iii) { meet at least quarterly to discuss the service performance of each internal service fund and} review the proposed rate and fee schedules and may]~~

(D) at the rate committee's discretion, approve, increase, or decrease the rate and fee~~;~~

~~(iv) recommend any} [:] schedules described in Subsection (2)(b)(ii)(B); and~~

(E) discuss any prior or recommended adjustments to the service level received by state agencies that pay rates to an internal service fund;

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

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

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

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

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

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

**67-19-11. Use of department facilities -- Field office facilities cost allocation --**

### **Rate committee.**

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

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

(2) The executive director shall:

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

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

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

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

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

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

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

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

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

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

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

(B) the Division of Finance;

(C) the Department of Administrative Services; or

(D) the Department of Technology Services.

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

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

~~—— (ii) Members of the committee who are the rate committee's members.~~

(ii) [Members] Each member of the rate committee who [are] is a state government [employees] employee and who [do] does not receive salary, per diem, or expenses from [their] the member's agency for [their] the member's service on the rate committee shall receive no compensation, benefits, per diem, or expenses for the [members'] member's service on the rate committee.

~~[(c)] (d) The [Department of Human Resource Management] department shall provide~~

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staff services to the rate committee.

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

(i) human resource management services rendered; and

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

(b) The rate committee shall:

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

(ii) meet at least ~~quarterly~~ once each calendar year to:

(A) discuss the service performance of each internal service fund ~~and~~;

(B) review the proposed rate and fee schedules ~~and may~~;

(C) at the rate committee's discretion, approve, increase, or decrease the rate and fee ~~;~~

~~(iii) recommend any~~ schedules described in Subsection (4)(b)(ii)(B); and

(D) discuss any prior or recommended adjustments to the service level received by state agencies that pay rates to an internal service fund;

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

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

(B) ~~the~~ each legislative appropriations ~~subcommittees~~ subcommittee that, in accordance with Section 63J-1-410, ~~approve~~ approves the internal service fund rates, fees, and budget; and

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

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

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### Legislative Review Note

‡ Section 4. Coordinating S.B. 52 with S.B. 37 -- Superseding technical and substantive amendments.

If this S.B. 52 and S.B. 37, Human Resource Management Rate Committee, both pass and become law, it is the intent of the Legislature that the amendments in Subsections 67-19-11(3) and (4) in this bill supersede the amendments to Subsections 67-19-11(3) and (4) in S.B. 37 when the Office of Legislative Research and General Counsel prepares the Utah Code database for publication.