

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

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



26 Utah Code Sections Affected by Coordination Clause:

27 67-19-11, as last amended by Laws of Utah 2013, Chapter 310



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

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

31 **63A-1-114. Rate committee -- Membership -- Duties.**

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

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

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

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

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

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

44 (B) the Division of Finance; or

45 (C) the Department of Technology Services.

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

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

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

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

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

57 the division to an executive branch entity or an entity that subscribes to services rendered by  
58 the division.

59 (b) The committee shall:

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

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

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

64 ~~[(i)]~~ (B) review the proposed rate and fee schedules ~~[and may]~~;

65 (C) at the rate committee's discretion, approve, increase, or decrease the rate and fee[;]  
66 schedules described in Subsection (2)(b)(ii)(B); and

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

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

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

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

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

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

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

80 **63F-1-302. Information Technology Rate Committee -- Membership -- Duties.**

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

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

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

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

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

92 (B) the Division of Finance; or

93 (C) the Department of Administrative Services.

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

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

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

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

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

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

105 (b) The committee shall:

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

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

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

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

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

113 ~~[(iii) review the proposed rate and fee schedules and may]~~

114 (D) at the rate committee's discretion, approve, increase, or decrease the rate and fee~~;~~  
115 schedules described in Subsection (2)(b)(ii)(B); and

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

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

119 to:

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

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

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

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

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

131 **67-19-11. Use of department facilities -- Field office facilities cost allocation --**  
132 **Rate committee.**

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

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

138 (2) The executive director shall:

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

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

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

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

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

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

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

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

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

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

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

158 (B) the Division of Finance;

159 (C) the Department of Administrative Services; or

160 (D) the Department of Technology Services.

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

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

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

170 ~~[(e)]~~ (d) The [Department of Human Resource Management] department shall provide  
171 staff services to the rate committee.

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

174 (i) human resource management services rendered; and

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

177 (b) The rate committee shall:

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

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

181 (A) discuss the service performance of each internal service fund;  
182 (B) review the proposed rate and fee schedules [~~and may~~];  
183 (C) at the rate committee's discretion, approve, increase, or decrease the rate and fee  
184 schedules described in Subsection (4)(b)(ii)(B); and

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

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

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

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

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

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

197 **Section 4. Coordinating S.B. 52 with S.B. 37 -- Superseding technical and**  
198 **substantive amendments.**

199 If this S.B. 52 and S.B. 37, Human Resource Management Rate Committee, both pass  
200 and become law, it is the intent of the Legislature that the amendments in Subsections  
201 [67-19-11](#)(3) and (4) in this bill supersede the amendments to Subsections [67-19-11](#)(3) and (4)  
202 in S.B. 37 when the Office of Legislative Research and General Counsel prepares the Utah  
203 Code database for publication.