

1 **STATE EMPLOYEE BENEFITS AMENDMENTS**

2 2023 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Lincoln Fillmore**

5 House Sponsor: Brady Brammer

7 **LONG TITLE**

8 **General Description:**

9 This bill creates the State Employee Benefits Advisory Commission.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ creates the State Employee Benefits Advisory Commission;
- 14 ▶ describes the commission's membership, quorum requirements, duties, and other
- 15 requirements;
- 16 ▶ establishes reporting requirements for the commission;
- 17 ▶ provides a sunset date for the commission; and
- 18 ▶ makes technical and conforming changes.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 This bill provides a special effective date.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **63A-17-307**, as last amended by Laws of Utah 2022, Chapters 169, 209

26 **63I-1-263**, as last amended by Laws of Utah 2022, Chapters 23, 34, 68, 153, 218, 236,
27 249, 274, 296, 313, 361, 362, 417, 419, and 472

28 ENACTS:

29 [63C-29-101](#), Utah Code Annotated 1953

30 [63C-29-102](#), Utah Code Annotated 1953

31 [63C-29-103](#), Utah Code Annotated 1953



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

34 Section 1. Section [63A-17-307](#) is amended to read:

35 **[63A-17-307. State pay plans -- Applicability of section -- Exemptions -- Duties of](#)**
36 **director.**

37 (1) (a) This section, and the rules made by the division under this section, apply to each
38 career and noncareer employee not specifically exempted under Subsection (2).

39 (b) If not exempted under Subsection (2), an employee is considered to be in classified
40 service.

41 (2) The following employees are exempt from this section:

42 (a) members of the Legislature and legislative employees;

43 (b) members of the judiciary and judicial employees;

44 (c) elected members of the executive branch and employees designated as schedule AC
45 as provided under Subsection [63A-17-301\(1\)\(c\)](#);

46 (d) employees of the State Board of Education;

47 (e) officers, faculty, and other employees of state institutions of higher education;

48 (f) employees in a position that is specified by statute to be exempt from this
49 Subsection (2);

50 (g) employees in the Office of the Attorney General;

51 (h) department heads and other persons appointed by the governor under statute;

52 (i) schedule AS employees as provided under Subsection [63A-17-301\(1\)\(m\)](#);

53 (j) department deputy directors, division directors, and other employees designated as
54 schedule AD as provided under Subsection [63A-17-301\(1\)\(d\)](#);

55 (k) employees that determine and execute policy designated as schedule AR as

56 provided under Subsection 63A-17-301(1)(l);

57 (l) teaching staff, educational interpreters, and educators designated as schedule AH as
58 provided under Subsection 63A-17-301(1)(g);

59 (m) temporary employees described in Subsection 63A-17-301(1)(r);

60 (n) patients and inmates designated as schedule AU as provided under Subsection
61 63A-17-301(1)(o) who are employed by state institutions; and

62 (o) members of state and local boards and councils and other employees designated as
63 schedule AQ as provided under Subsection 63A-17-301(1)(k).

64 (3) (a) The director shall prepare, maintain, and revise a position classification plan for
65 each employee position not exempted under Subsection (2) to provide equal pay for equal
66 work.

67 (b) Classification of positions shall be based upon similarity of duties performed and
68 responsibilities assumed, so that the same job requirements and the same salary range, subject
69 to Section 63A-17-112, may be applied equitably to each position in the same class.

70 (c) The director shall allocate or reallocate the position of each employee in classified
71 service to one of the classes in the classification plan.

72 (d) (i) The division shall conduct periodic studies and interviews to provide that the
73 classification plan remains reasonably current and reflects the duties and responsibilities
74 assigned to and performed by employees.

75 (ii) The director shall determine the need for studies and interviews after considering
76 factors such as changes in duties and responsibilities of positions or agency reorganizations.

77 (4) (a) With the approval of the executive director and the governor, the director shall
78 develop and adopt pay plans for each position in classified service.

79 (b) The director shall design each pay plan to achieve, to the degree that funds permit,
80 comparability of state salary ranges to the market using data obtained from private enterprise
81 and other public employment for similar work.

82 (c) The director shall adhere to the following in developing each pay plan:

- 83 (i) each pay plan shall consist of sufficient salary ranges to:
- 84 (A) permit adequate salary differential among the various classes of positions in the
- 85 classification plan; and
- 86 (B) reflect the normal growth and productivity potential of employees in that class.
- 87 (ii) The director shall issue rules for the administration of pay plans.
- 88 (d) The establishing of a salary range is a nondelegable activity and is not appealable
- 89 under the grievance procedures of Part 6, Grievance Provisions, Title 67, Chapter 19a,
- 90 Grievance Procedures, or otherwise.
- 91 (e) The director shall make rules, accordance with Title 63G, Chapter 3, Utah
- 92 Administrative Rulemaking Act, providing for:
- 93 (i) agency approved salary adjustments within approved salary ranges, including an
- 94 administrative salary adjustment; and
- 95 (ii) structure adjustments that modify salary ranges, including a cost of living
- 96 adjustment or market comparability adjustment.
- 97 (5) (a) On or before October 31 of each year, the director shall submit an annual
- 98 compensation plan to the executive director and the governor for consideration in the executive
- 99 budget[-] and to the State Employee Benefits Advisory Commission created in Section
- 100 [63C-29-102](#).
- 101 (b) The plan described in Subsection (5)(a) may include recommendations, including:
- 102 (i) salary increases that generally affect employees, including a general increase or
- 103 merit increase;
- 104 (ii) salary increases that address compensation issues unique to an agency or
- 105 occupation;
- 106 (iii) structure adjustments, including a cost of living adjustment or market
- 107 comparability adjustment; or
- 108 (iv) changes to employee benefits.
- 109 (c) (i) (A) Subject to Subsection (5)(c)(i)(B) or (C), the director shall incorporate the

110 results of a salary survey of a reasonable cross section of comparable positions in private and
111 public employment in the state into the annual compensation plan.

112 (B) The salary survey for a law enforcement officer, as defined in Section 53-13-103, a
113 correctional officer, as defined in Section 53-13-104, or a dispatcher, as defined in Section
114 53-6-102, shall at minimum include the three largest political subdivisions in the state that
115 employ, respectively, comparable positions.

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

119 (ii) The director may cooperate with or participate in any survey conducted by other
120 public and private employers.

121 (iii) The director shall obtain information for the purpose of constructing the survey
122 from the Division of Workforce Information and Payment Services and shall include employer
123 name, number of persons employed by the employer, employer contact information and job
124 titles, county code, and salary if available.

125 (iv) The division shall acquire and protect the needed records in compliance with the
126 provisions of Section 35A-4-312.

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

130 (e) The director shall:

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

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

135 (f) (i) Upon request and subject to Subsection (5)(f)(ii), the division shall make
136 available foundational information used by the division or director in the drafting of a plan

137 described in Subsection (5)(a), including:

138 (A) demographic and labor market information;

139 (B) information on employee turnover;

140 (C) salary information;

141 (D) information on recruitment; and

142 (E) geographic data.

143 (ii) The division may not provide under Subsection (5)(f)(i) information or other data
144 that is proprietary or otherwise protected under the terms of a contract or by law.

145 (g) The governor shall:

146 (i) consider salary and structure adjustments recommended under Subsection (5)(b) in
147 preparing the executive budget and shall recommend the method of distributing the
148 adjustments;

149 (ii) submit compensation recommendations to the Legislature; and

150 (iii) support the recommendation with schedules indicating the cost to individual
151 departments and the source of funds.

152 (h) If funding is approved by the Legislature in a general appropriations act, the
153 adjustments take effect on the July 1 following the enactment unless otherwise indicated.

154 (6) (a) The director shall make rules, in accordance with Title 63G, Chapter 3, Utah
155 Administrative Rulemaking Act, for the granting of incentive awards, including awards for cost
156 saving actions, awards for commendable actions by an employee, or a market-based award to
157 attract or retain employees.

158 (b) An agency may not grant a market-based award unless the award is previously
159 approved by the division.

160 (c) In accordance with Subsection (6)(b), an agency requesting the division's approval
161 of a market-based award shall submit a request and documentation, subject to Subsection
162 (6)(d), to the division.

163 (d) In the documentation required in Subsection (6)(c), the requesting agency shall

164 identify for the division:

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

166 (A) budgetary advantages; or

167 (B) recruitment advantages;

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

169 or

170 (iii) any other advantage the agency would gain through the utilization of a

171 market-based award.

172 (7) (a) The director shall regularly evaluate the total compensation program of state
173 employees in the classified service.

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

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

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

178 Section 2. Section **63C-29-101** is enacted to read:

179 **CHAPTER 29. STATE EMPLOYEE BENEFITS ADVISORY COMMISSION**

180 **63C-29-101. Definitions.**

181 As used in this chapter:

182 (1) "Annual compensation plan" means the annual compensation plan described in
183 Section [63A-17-307](#).

184 (2) "Benefits advisory commission" means the State Employee Benefit Advisory
185 Commission created in Section [63C-29-102](#).

186 (3) "Total compensation" means the same as that term is defined in Section
187 [63A-17-102](#).

188 Section 3. Section **63C-29-102** is enacted to read:

189 **63C-29-102. Creation of State Employee Benefits Advisory Commission --**
190 **Membership.**

191 (1) There is created the State Employee Benefits Advisory Commission consisting of
192 the following members:

193 (a) one member of the Senate, appointed by the president of the Senate;

194 (b) one member of the House of Representatives, appointed by the speaker of the
195 House of Representatives;

196 (c) the director of the Division of Human Resource Management, created in Section
197 63A-17-105, or the director's designee;

198 (d) the executive director of the Governor's Office of Planning and Budget, created in
199 Section 63J-4-201, or the executive director's designee;

200 (e) the following four individuals who are not employed by the state or another public
201 entity and are appointed jointly by the president of the Senate and speaker of the House of
202 Representatives:

203 (i) an individual who has experience in health insurance benefits in the private sector;

204 (ii) an individual who has experience in business and employee benefits in the private
205 sector; and

206 (iii) a representative of an organization that represents the interests of state employees;
207 and

208 (f) a representative of the Public Employees' Benefit and Insurance Program, created in
209 Section 49-20-103, appointed by the executive director of the Utah State Retirement Office.

210 (2) (a) The member of the Senate appointed under Subsection (1)(a) is a cochair of the
211 benefits advisory commission.

212 (b) The member of the House of Representatives appointed under Subsection (1)(b) is
213 a cochair of the benefits advisory commission.

214 (3) (a) Each position described in Subsection (1)(e) is for a term of four years.

215 (b) A vacancy in a position appointed under Subsection (1)(a), (b), (e), or (f) shall be
216 filled by appointing a replacement member in the same manner as the member creating the
217 vacancy was appointed under Subsection (1)(a), (b), (e), or (f), respectively.

218 (c) If a position described in Subsection (1)(e) is vacant, the president of the Senate and
219 speaker of the House of Representatives shall jointly appoint the replacement member for the
220 remainder of the unexpired term.

221 (4) (a) A majority of members constitute a quorum.

222 (b) The action of a majority of a quorum constitutes the action of the benefits advisory
223 commission.

224 (5) The benefits advisory commission shall meet as necessary to effectively conduct
225 the commission's business and duties as prescribed by statute, but not less than twice a year.

226 (6) The Division of Human Resource Management shall provide staff support to
227 facilitate the function of the benefits advisory commission and record the benefits advisory
228 commission's action and recommendations.

229 (7) (a) The salary and expenses of a benefits advisory commission member who is a
230 legislator shall be paid in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5,
231 Legislative Compensation and Expenses.

232 (b) A benefits advisory commission member who is not a legislator may not receive
233 compensation or benefits for the member's service on the benefits advisory commission, but
234 may receive per diem and reimbursement for travel expenses incurred as a benefits advisory
235 commission member at the rates established by the Division of Finance under:

236 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

237 (ii) rules made by the Division of Finance under Sections [63A-3-106](#) and [63A-3-107](#).

238 (8) The benefits advisory commission shall comply with the provisions of Title 52,
239 Chapter 4, Open and Public Meetings Act.

240 Section 4. Section **63C-29-103** is enacted to read:

241 **63C-29-103. Duties of benefits advisory commission.**

242 (1) The benefits advisory commission shall:

243 (a) review the annual compensation plan;

244 (b) review proposed legislation submitted to the benefits advisory commission that

245 amends the health care, leave, or salary benefits for state employees while considering total
246 compensation; and

247 (c) provide recommendations, if any, for the annual compensation plan or legislation
248 described in Subsection (1)(b) that would make total compensation competitive with private
249 sector employees.

250 (2) (a) No later than November 1 of each year, the benefits advisory commission shall
251 submit a written report on the benefits advisory commission's activities and recommendations,
252 if any, for the annual compensation plan and legislation described in Subsection (1)(b) to the
253 Executive Appropriations Committee and the Retirement and Independent Entities Interim
254 Committee.

255 (b) The report submitted under Subsection (2)(a) shall comply with Section [68-3-14](#),
256 Section 5. Section **63I-1-263** is amended to read:

257 **63I-1-263. Repeal dates: Titles 63A to 63N.**

258 (1) Subsection [63A-5b-405\(5\)](#), relating to prioritizing and allocating capital
259 improvement funding, is repealed July 1, 2024.

260 (2) Section [63A-5b-1003](#), State Facility Energy Efficiency Fund, is repealed July 1,
261 2023.

262 (3) Sections [63A-9-301](#) and [63A-9-302](#), related to the Motor Vehicle Review
263 Committee, are repealed July 1, 2023.

264 (4) In relation to the Utah Transparency Advisory Board, on January 1, 2025:

265 (a) Section [63A-18-102](#) is repealed;

266 (b) Section [63A-18-201](#) is repealed; and

267 (c) Section [63A-18-202](#) is repealed.

268 (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
269 1, 2028.

270 (6) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
271 2025.

272 (7) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed July 1,
273 2024.

274 (8) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
275 repealed July 1, 2023.

276 (9) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is repealed
277 July 1, 2023.

278 (10) Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is
279 repealed July 1, 2026.

280 (11) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.

281 (12) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.

282 (13) Title 63C, Chapter 29, State Employee Benefits Advisory Commission, is
283 repealed on July 1, 2028.

284 ~~[(13)]~~ (14) Section [63G-6a-805](#), which creates the Purchasing from Persons with
285 Disabilities Advisory Board, is repealed July 1, 2026.

286 ~~[(14)]~~ (15) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed
287 July 1, 2028.

288 ~~[(15)]~~ (16) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
289 July 1, 2024.

290 ~~[(16)]~~ (17) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,
291 2026.

292 ~~[(17)]~~ (18) Subsection [63J-1-602.1](#)(17), relating to the Nurse Home Visiting Restricted
293 Account, is repealed July 1, 2026.

294 ~~[(18)]~~ (19) Subsection [63J-1-602.2](#)(6), referring to dedicated credits to the Utah
295 Marriage Commission, is repealed July 1, 2023.

296 ~~[(19) Subsection [63J-1-602.2](#)(7), referring to the Trip Reduction Program, is repealed~~
297 ~~July 1, 2022.]~~

298 (20) Subsection [63J-1-602.2](#)(26), related to the Utah Seismic Safety Commission, is

299 repealed January 1, 2025.

300 (21) Title 63L, Chapter 11, Part 4, Resource Development Coordinating Committee, is
301 repealed July 1, 2027.

302 (22) In relation to the Utah Substance Use and Mental Health Advisory Council, on
303 January 1, 2033:

304 (a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are
305 repealed;

306 (b) Section 63M-7-305, the language that states "council" is replaced with
307 "commission";

308 (c) Subsection 63M-7-305(1)(a) is repealed and replaced with:

309 "(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

310 (d) Subsection 63M-7-305(2) is repealed and replaced with:

311 "(2) The commission shall:

312 (a) provide ongoing oversight of the implementation, functions, and evaluation of the
313 Drug-Related Offenses Reform Act; and

314 (b) coordinate the implementation of Section 77-18-104 and related provisions in
315 Subsections 77-18-103(2)(c) and (d).".

316 (23) The Crime Victim Reparations and Assistance Board, created in Section
317 63M-7-504, is repealed July 1, 2027.

318 (24) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2026.

319 (25) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is repealed
320 January 1, 2025.

321 (26) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

322 (27) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed July
323 1, 2028.

324 (28) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is repealed
325 July 1, 2027.

326 (29) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant Program, is
327 repealed July 1, 2025.

328 (30) In relation to the Rural Employment Expansion Program, on July 1, 2023:

329 (a) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed;
330 and

331 (b) Subsection 63N-4-805(5)(b), referring to the Rural Employment Expansion
332 Program, is repealed.

333 (31) In relation to the Board of Tourism Development, on July 1, 2025:

334 (a) Subsection 63N-2-511(1)(b), which defines "tourism board," is repealed;

335 (b) Subsections 63N-2-511(3)(a) and (5), the language that states "tourism board" is
336 repealed and replaced with "Utah Office of Tourism";

337 (c) Subsection 63N-7-101(1), which defines "board," is repealed;

338 (d) Subsection 63N-7-102(3)(c), which requires the Utah Office of Tourism to receive
339 approval from the Board of Tourism Development, is repealed; and

340 (e) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed.

341 (32) Subsection 63N-8-103(3)(c), which allows the Governor's Office of Economic
342 Opportunity to issue an amount of tax credit certificates only for rural productions, is repealed
343 on July 1, 2024.

344 Section 6. **Effective date.**

345 This bill takes effect on July 1, 2023.