

THE

# PUBLIC EMPLOYEE 2016 LEGISLATIVE COMMUNICATOR

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## Employees Receive a Boost Despite Dismal Revenue

UPEA always prioritizes public employee compensation throughout the year and meets with members of the House and Senate leadership, and the Governor's Office. UPEA supported the governor's proposal which included a 2% COLA, 0.75% for targeted "hot spots" and funding employee benefits.

UPEA worked closely with legislative leadership on public employee compensation. Despite dismal General Fund revenue numbers creating challenges this budget year, UPEA was able to secure funding for the 2% general pay increase for all state and higher education employees. UPEA also ensured the 7.3% PEHP health insurance increase was fully funded. The legislature also funded the \$26 bi-weekly 401(k) match for state employees. Unfortunately the Governor's proposed "hot spots" roughly costing \$3 million were not funded.

Rep. James Dunnigan (R) – Taylorsville said "I have worked with UPEA for several years and appreciate how involved and knowledgeable they are in the budget process. UPEA always has creative and practical solutions and is a recognized and valued advocate. State employees are well represented by UPEA."

Overall the 2% pay increase employees should see in July will help employees and their families. Each year when the legislative session ends, UPEA begins working and discussing solutions for public employee compensation for the following year.

## Bills Target Public Employees' Career Service System



The career service system, or merit system, is a group of principles that guide the hiring, training, rewarding, retention, fair treatment, discipline, and protection from political coercion, of public employees. The merit system is not about pay or compensation. During the 2016 legislative session, two bills were introduced that attempted to change the career service system for Utah state employees.

### **HB 268: Attorney General Employment Amendments**

Representative Mike Noel, R-Kanab, sponsored HB 268 Attorney General Employment Amendments that would exempt attorneys working for the Utah Attorney General's Office from the career service system effective May 16, 2016. This bill was heard in the House Business and Labor Committee on February 25th.

At the hearing, Attorney General Sean Reyes testified in opposition to the bill, stating "Merit status is the cornerstone for the independence and autonomy of this office. Without it, we cannot zealously and confidently do our job as lawyers for state agencies and state officials and



*Utah Attorney General, Sean Reyes*

employees."

UPEA's Executive Director Todd Losser also testified that UPEA opposed the bill noting how UPEA advocates on behalf of high performing employees and the importance of adequate and on-going training for supervisors and managers."

The House Business and Labor Committee voted to hold the bill in committee and on March 8th it was sent back to House Rules Committee.

### **SB 176: Office of the State Board of Education Employment Amendments**

Senator Howard Stephenson, R-Draper, sponsored SB 176, Office of the State Board of Education Employment Amendments, eliminating career service status for all State Office of Education employees.

The bill was first introduced in the Senate Education Committee on February 23. At the committee's meeting, State Auditor John Dougall testified in support of the bill stating that "career service (actually) is a cancer in an organization."

UPEA's Executive Director Todd Losser responded, "calling our state employees that are merit system employees cancerous is quite frankly disingenuous."

The bill passed by a vote of 4-1 with a favorable recommendation to the Senate floor. It passed the Senate by a vote of 18-9 and was sent to the House. On March 8th, UPEA spoke in opposition to the bill and diligently lobbied against it. The testimony highlighted the critical role the merit system plays in employee development.

After public testimony, the committee sent the bill back to the House Rules Committee by a vote of 8-1, instead of sending the bill to the House floor.

UPEA appreciates all those who contacted their legislator. Your voice matters and made a difference!

## Utah State Office of Rehabilitation Oversight to Change



Rep. Norman Thurston, R-Provo, sponsored HB 325, Office of Rehabilitation Services Amendments. The bill moves the Utah State Office of Rehabilitation (USOR) from the State Board of Education (USOE) to the Department of Workforce Services (DWS). This bill also modifies provisions related to the Governor's Committee on Employment of People with Disabilities; describes duties of USOR that

may not be delegated to other state government entities; requires DWS and USOR to create a written transition plan, and more.

The September 2015 audit of USOR's budget by the Office of Legislative Auditor General identified DWS as the most likely agency to oversee USOR because 71 percent of the services overlap with USOR services. The Director of the Governor's Office of Management and Budget, Kristen Cox, testified during the appropriations committee hearings noting that Gov. Gary Herbert recommends moving USOR under DWS because of the overlap of services. Cox

noted that making USOR its own independent agency would cost the state more than if it was made a division under DWS. She said Governor Herbert, DWS Director Jon Pierpont, and her office will work to ensure any money saved as a result of this transition would go back to USOR for client services.

Rep. Thurston mentioned the bill doesn't change any of USOR's programs, services or employees. The bill also instructs DWS to create and update a website every two weeks with transparent information about the transition.

The bill passed and, according to the bill's language, will be enacted by October, 2016.

## UPEA Defeats Payroll Deduction Bill

Rep. John Westwood, R-Cedar City, sponsored HB 173 Payroll Deduction for Union Dues during the 2016 legislative session.

The bill would allow a public employer, such as the state, city or county, the option to prevent a labor organization from collecting dues by payroll deduction from its members.

UPEA was the first labor group to notice the bill. UPEA opposed the bill and lobbied against its passage. The association met several times with Rep. Westwood at the state Capitol to voice its concerns and opposition to the bill.

UPEA's position is that public employees already choose whether to join a labor organization. Westwood acknowledged these concerns and decided to hold the bill in the Rules Committee to prevent any further action on the bill.



**UPEA tracked over 70 pieces of legislation that could affect public employees throughout the State of Utah.**

# UPEA Supports Bills to Enhance Employee Retirement

## **HB 86, Postretirement Employment Restrictions**

Rep. Rich Cunningham, (R)-South Jordan, sponsored HB 86, Postretirement Employment Restrictions. The bill passed the House standing committee and House floor, but was held in the Senate standing committee.

Currently, a retiree who decides to return to work full-time must wait 12 months in order to collect their pension and be reemployed with a URS-covered employer.

Third Substitute HB 86 would have allowed a retiree to be reemployed with a participating employer after 60 days from the retiree's retirement date.

The rehired retired employee would have continued to receive a pension benefit while working, but not earn additional years of service credit or be eligible for any employer benefits. In addition, the bill required the rehired retired employees to be reemployed at a different agency than their retiring agency. Lastly, the bill required

the agency that rehired the retired employee to continue paying the employer retirement contributions.

The legislation addressed certain costs that would be included in the final contribution rates adapted and certified by the Utah State Retirement Board.

## **Phased Retirement Legislation – SB 19**

UPEA lobbied in favor of SB 19, Phased Retirement, sponsored by Sen. Todd Weiler, R-Woods Cross.

The bill permits a participating state agency to allow retirees to return to work part-time while receiving 50 percent of his or her retirement benefit. However, the returning retiree isn't eligible for any state employment benefits or to receive the annual retirement COLA until they fully retire.

## **HB 205 – Tier II Retirement Amendments**

Rep. Rich Cunningham, R-Salt Lake City, introduced House

Bill 205, Tier II Retirement Amendments to enhance the Tier II retirement benefit for both the hybrid pension and 401(k)-only plans.

Rep. Cunningham's bill would have increased the retirement multiplier for non-law enforcement employees on the Tier II plan from 1.50 to 1.72 percent for each year the employee works. Employees in the Tier II public safety retirement system would earn 2 percent for every year worked--also an increase from the current 1.5 percent. Tier II employees would be eligible to retire after 35 years of service with a 60 percent pension. Employees in the Tier II public safety retirement system would be able to retire after 25 years with a 50 percent pension. If they select the hybrid retirement plan option.

Rep. Cunningham felt the bill required more work and decided to hold the bill this legislative session and send it to be studied over the next year.

## **JOIN UPEA. YOUR MEMBERSHIP MATTERS.**

The Utah Public Employees' Association is Utah's largest advocate for public employee careers. UPEA members come from across the state and share the common values that make Utah one of the best run states.

Together, UPEA members ensure that employees have a seat at the table when it comes to compensation, benefits, and working conditions. We work tirelessly throughout the year to protect public employees' rights and protect the benefits that make public employment a rewarding career.

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