

Date: 2-10-21

Senate Business and Labor

Bill: SB 115 Retirement System Transparency Amendments

Sponsor: Sen. Fillmore

Floor Sponsor:

UASD Position: Tracking

This Bill: amends provisions related to the public disclosure of information by employers participating in the Utah Retirement System.

Discussion: Sen. Fillmore explained that this bill closes a loophole — the state retirement system has not been subject to the same transparency as other ways taxpayer dollars are spent. Sen. Weiler said his understanding is that these individuals' salaries are not necessarily taxpayer funds. Some of these are not governmental entities, like the Utah League of Cities and Towns. What if we just publish the retirement benefits rather than the salaries? Sen. Fillmore said this is his attempt to close that loophole. Taxpayers have a right to know what their money is backing. Sen. Weiler asked him to name the organizations this will impact. Sen. Fillmore said he can't name them all. It does not apply to the League, since it is already in code. John Dougall, the State Auditor, said this bill would be easy to implement. Sen. Weiler asked if there is a difference between an employee of the Utah Education Association (UEA) and an employee in his office. Mr. Dougall said the UEA is a private organization. Sen. McCay asked about the appropriateness of private entities participating in the state retirement system. Mr. Dougall said he doesn't know the full history, but he is concerned about it. Sen. McCay said he wonders if these private entities don't want to disclose their salaries, maybe they will offer to leave the state retirement system. He also suggested maybe they should look at redefining a retirement group for these private entities and prohibiting them from allowing new employees from joining the plan. Could we slowly work everyone out of the existing program into their own program? Mr. Dougall said there are many scenarios that would be appropriate responses to this issue. Sen. Bramble asked if a period of years of sabbatical from state employment still counts as years of service under the state system. Mr. Dougall said that is true for private employers in the system. Jay Blain spoke on behalf of the UEA. One reason UEA is part of the Utah Retirement System (URS) is that they helped start it. He noted that the IRS allows entities like the UEA to participate in the URS. This bill doesn't increase transparency for taxpayer dollars. Every entity's portion of unfunded liability is reported. The URS has never been in danger of failing, and the idea that the taxpayers would have to bail out these entities is a red herring. Sen. Weiler

asked if the UEA would support the bill if it was just the amount of retirement benefits that was published, as opposed to salaries. Mr. Blain said that is already published in the yearly report. Americans for Prosperity Utah supports the bill. Sen. McCay said he supports the transparency element. However, there really isn't a government purpose in providing retirement systems to private entities. Sen. Weiler said he's concerned about the government taking steps toward telling private organizations that they have to publish their salaries. Sen. Sandall said he wants to move this out of committee, but hopes there will be more work before it goes to the floor. Sen. Fillmore said URS is at some risk as it is not fully funded. We don't know what entities are contributing to that risk and at what level. Taxpayers are currently bailing out URS, and have been for more than a decade. Sen. McCay said maybe they need to offer retirement programs to all private organizations in the state.

Yeas: 5

Nays: 3

N/V: 1

Outcome: SB 115 passed out of committee with a favorable recommendation.

Bill: HB 63 Impact Fees Amendments

Sponsor: Rep. Pierucci

Floor Sponsor: Sen. Fillmore

UASD Position: Support

This Bill: amends provisions related to impact fees.

Discussion: Rep. Pierucci introduced the bill. It clarifies that the cost of an impact fee study can be included in an impact fee. Sen. McCay asked how frequently impact fee studies are completed. Rep. Pierucci said when a major development comes in, the general cost is between \$5,000-20,000. Victoria Ashby with the League of Cities and Towns said anytime a city is going to charge impact fees they have to do a study. How frequently they occur depends on the development happening in a city or county. Sen. Bramble asked about the language around accounting. Ms. Ashby said they're trying to make it more proactive language, so it's now in the defined term on line 269. Sen. Bramble asked if they're limiting it to generally accepted cost accounting. Ms. Ashby confirmed that.

Yeas: 6

Nays: 0

N/V: 3

Outcome: HB 63 passed out of committee with a favorable recommendation.