



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Government Operations Executive Director's Office

MARVIN DODGE
Executive Director

DAVID DYCHES
Deputy Director

MARILEE P. RICHINS
Deputy Director

Agenda

GovOps FY2026 Internal Service Fund Rate Committee Business Meeting

DATE: Thursday, August 14, 2025
TIME: 1:00 – 3:00 PM
PLACE: **Anchor Location:**
Taylorsville State Office Building (TSOB)
Bonneville Conference Room (3rd Floor)
Google Meet Virtual Option – meet.google.com/umr-rdgn-jay

I. **Committee Business:**

- a. Welcome – Jake Hennessy, Finance Director, Department of Government Operations
- b. Review Meeting Protocols
- c. Open and Public Meetings Act Training – Paul Tonks, Assistant Attorney General
- d. Marvin Dodge, Executive Director, Department of Government Operations
- e. Approval of minutes of 2025 6.12.25 Rate Committee meetings
- f. Selection of a new committee chair
- g. ISF discussion about upcoming rate committee meetings and information
- h. Headcount discussion
- i. Open discussion

Subsequent Meeting

Wednesday, September 11, 2025, Tuacahn Room 1400, Taylorsville State Office Building, 9:00 a.m.
Wednesday, September 25, 2025 (if necessary), Tuacahn Room 1400, Taylorsville State Office Building, 9:00 a.m.

Committee Members

Greg Paras, Deputy Director, Utah Department of Workforce Services
Jeff Mottisha, Corrections Director II, Utah Department of Corrections
Melanie Henderson, Finance Director, Utah Department of Agriculture and Food
Tenielle Humphries, Finance Director, Department of Cultural and Community Engagement
Devin Cook, Finance Director, Utah Department of Commerce
Nate Winters, Deputy Director, Department of Health and Human Services
Duncan Evans, Managing Director of Budget & Operations, Governor's Office of Planning and Budget

ADA Notice: In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting must notify Ms. Melissa Brown at the Department of Government Operations, 4315 S 2700 W FL 3, Salt Lake City, Utah 84129-2138, or call 801-957-7171, at least three (3) business days prior to the meeting.

GovOps Rate Committee Meeting

June 12, 2025

10:00-11:00

Virtual or Green River Conference Room - Anchor Location

Rate Committee Members: Tiffany Clason - absent, Marvin Dodge, Shara Hillier, Nate Winters, Kamron Dalton, Heidi Reilly, Tenielle Humphreys, Duncan Evans

Attendees: Jake Hennessy, Ivan Djambov, Marie Loosle, Mark Yeschick, Marissa Cook, Marilee Richins, Windy Aphayrath, Hannah Elliott, Annie Cook, Rachel Terry, Wen Zhai, Stephanie Martin, Paul Korth, Cory Weeks, Alan Fuller, John Barrand, Priscila Self, Ally Branch, Dana Gauthier, Brandi Frandsen, Melissa Brown, Angela Gundersen,

Jake Hennessy welcomed everyone to the Government Operations (GovOps) Internal Service Fund Rate Committee meeting. He noted that the AG's rate committee had just concluded with the approval of their recommendations.

Rate Committee Chair Kamron Dalton announced the meeting and opened the floor for a motion to approve the minutes from the prior meeting. Nate Winters (DHHS) moved to approve, Heidi Reilly seconded, and the motion passed unanimously via roll call vote facilitated by Melissa Brown.

Chair Dalton explained that the current meeting's purpose is to adjust rates solely for the impact of the compensation package, as the rates approved previously did not include these adjustments per legislative request. Jake Hennessy presented the details, including funding and implementation, followed by questions and consideration of rate adjustments. Jake Hennessy requested that all votes be conducted via roll call to ensure proper documentation of the majority and individual votes, given that not all attendees could be seen online. This protocol was implemented for the vote on the minutes and would continue for the rate adjustments.

Jake Hennessy detailed how Senate Bill 256 allows ISF agencies to change rates within 90 days of session commencement if the legislature appropriates funds for employee compensation increases. He stated that \$5.2 million was appropriated to finance

mandated for ISF reallocation, and GovOps will run rate impacts to identify agency-specific effects, submitting these to the governor's office and LFA for supplemental appropriation in 2026. Agencies need to review the impact statements to ensure correct appropriation codes. Angela Gunderson sought clarification on whether the process would be similar to pay for performance funding. Chair Dalton confirmed that the funds are in a state-mandated line item, already appropriated, and will be reallocated to agencies as a current year supplemental in the next budgetary cycle after GovOps provides impact statements for review. Jake Hennessy confirmed that GovOps has been working with the Governor's Office of Planning and Budget (GOPB) to ensure that the total requested adjustments do not exceed the amount set aside. The goal is to submit the rate and funding spreads to GOPB promptly after the committee's review.

Jake then outlined the compensation package from House Bill 8, which includes a 2.5% labor market increase, 5% health increase, 6.9% dental benefit, and a 1% one-time pay for performance. The modified ISF rate requests reflect increases due to direct employee increases and overhead allocations, totaling a \$5.84 million increase across five of GovOps' eight ISF programs. Jake Hennessy presented the rate recommendations for various ISF programs, including Vantage/HCM (a \$3.31 increase for Vantage and a \$0.04 increase for Vantage Plus Payroll). He clarified that these modifications are solely due to the compensation package outlined in House Bill 8, using the same framework as the September rate process. Jake briefly mentioned the proposed rate adjustments for DFCM (totaling \$316,000 impacting 176 employees) and DHRM (various changes totaling \$765,000 impacting 148 employees), noting that these involve the same buildings and existing rates from the September request, adjusted for compensation. Rate adjustments were proposed for Fleet operations (totaling \$156,000 impacting 34 staff, with increases to administrative, vehicle service center, and fuel markup rates on selected rates only) and DTS (totaling just under \$4.5 million impacting 779 employees), with the changes solely reflecting the compensation package.

Duncan Evans questioned whether the 1% one-time pay for performance would be backed out of the FY27 rates and if divisions would use existing funds for additional bonuses. Jake Hennessy confirmed the 1% would not be in the FY27 base rates and that GovOps would not be implementing an additional 1% bonus from turnover savings to avoid further burdening state agencies, though individual divisions could still use existing funds for one-time bonuses. Marvin Dodge supported this decision due to the financial constraints faced by other agencies.

Chair Dalton clarified that incidental performance bonuses or incentives are not included in the current rate impact calculations and would be covered by other available

funding. Jake Hennessy added that any additional FTE or bonuses would be covered by retained earnings, not the recommended rate adjustments. Chair Dalton noted that the total rate impact of \$5.84 million includes various funding sources, but the set-aside funding addresses only the general fund impact, ensuring agencies are held harmless from a general fund perspective, consistent with the original rate calculations. Jake Hennessy confirmed that the Governor's Office will apply funding spreads to allocate the costs appropriately.

Chair Dalton asked for public comment, there was none. Heidi Reilly moved to approve the adjusted rates as presented, anticipating communication to GOPB for supplemental funding. Tanielle Humphreys seconded the motion, and it passed unanimously via roll call vote.

With the rates approved and no further business, Nate Winters moved to adjourn, seconded by Heidi Reilly, and the meeting was adjourned by Chair Kamron Dalton.