



PROUDLY SERVING UTAH PUBLIC EMPLOYEES

560 East 200 South » Salt Lake City, UT » 84102-2004 » 801-366-7555 or 800-765-7347 » www.pehp.org

HB0456 - Utah Independent Entities Amendments

Any Fiscal Impact - yes

Updated 03/01/2017 20:09:49 by Paul Anderton

HB456 would add additional audits of PEHP that would likely last at least 3 weeks. A conservative estimate of PEHP costs based on two employees working full time on each audit is as follows: Three week audit \$18,373; Six week audit \$36,745; and Nine week audit \$55,118. These costs include employee salary and benefits.

HB456 requires the Board to adopt policies consistent with the provisions of Title 51, Chapter 7, State Money Management Act. That act and specifically Section 51-7-11, limits the authorized investments of an agency. In order to adopt policies consistent with the Money Management Act provisions, the Board would be required to limit authorized investments to only short-term and low-yielding cash equivalents. The associated reduction in investment yield would result in a drop in annual investment income of \$3.5 million on invested assets associated with State benefit programs administered by PEHP.

PEHP - no

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State Revenue - no

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Local Government - no

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Business / Individual - no

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