

Budget Brief – DAS Internal Service Fund Summary

NUMBER CFAS-05-15

SUMMARY

Internal Service Funds (ISF) employ business practices to provide a service or product for other state and governmental agencies. Typical services include motor pools, computer centers, central stores, revolving loan funds, facility management, or other large functions that can be centrally coordinated. They are set up to take advantage of economies of scale, to avoid duplication of efforts, and to provide an accounting mechanism to adequately define costs of certain governmental services.

In order to control the size, mission and fees charged to state agencies, the Legislature imposed statutory controls (UCA 63-38-3.5) that require ISFs to respond to the legislative budget process. No ISF can bill another agency for its services unless the Legislature has:

- Approved the ISF’s budget request
- Approved the ISF’s rates, fees, and other charges, and included those rates and fees in an appropriations act
- Approved the number of FTE as part of the annual appropriation process
- Appropriated the ISF’s estimated revenue based upon the rates and fee structure

No capital acquisitions can be made by an ISF without legislative approval. No capital assets can be transferred to an ISF without legislative approval.

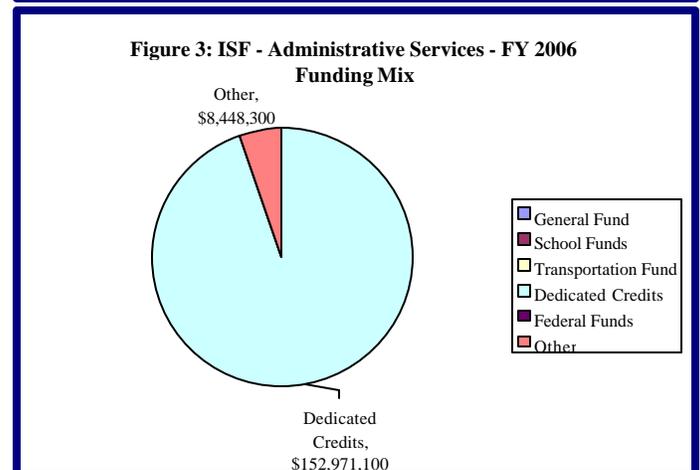
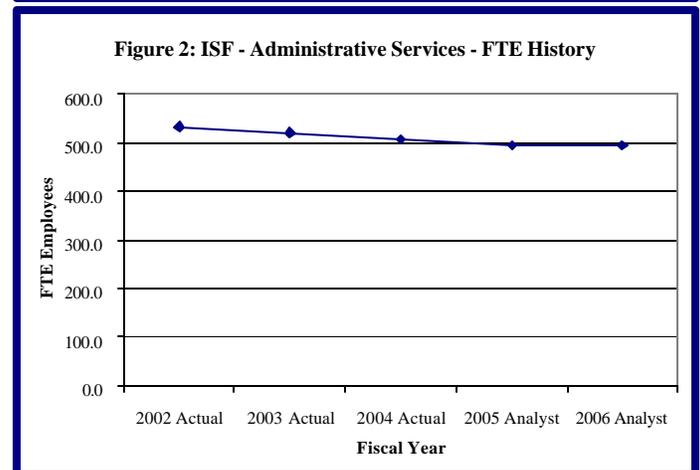
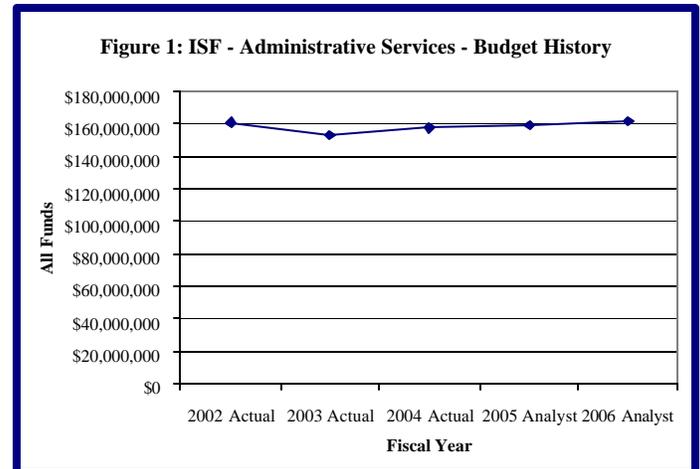
Working capital should come from the following sources in priority order: operating revenues; long-term debt; legislative appropriations.

General Fund borrowing (long-term debt) is authorized as long as the debt is repaid over the useful life of the asset and borrowing does not exceed 90 percent of the ISF’s capital assets.

DAS Internal Service Fund Line Items

DAS ISF budget line items include:

- Office of State Debt Collection
- Purchasing and General Services
- Information Technology Services (ITS)
- Fleet Operations
- Risk Management
- Facilities Maintenance



BUDGET DETAIL

The following table is a roll-up of budget detail for the six ISFs in the department. Premiums are generated from Risk Management – Liability payments; Dedicated Credits come from charges to customer agencies for most services; Restricted Revenue comes mostly from Risk Management – Workers’ Compensation, though some comes from interest revenue in the Risk Management – Liability program.

Intent Language

During the 2004 General Session the Legislature adopted the following intent language for each Internal Service Fund agency (H.B. 1, FY 2004 Supplemental Appropriations Act):

It is the intent of the Legislature that the [ISF agency name] shall lapse all capital outlay authority on June 30, 2004.

This language was passed in conjunction with Senate Bill 15, which lapsed each ISF agency’s unused capital acquisition authority at the end of a fiscal year (beginning in FY 2005). It was formerly assumed that capital acquisition authority carried forward across fiscal years. Now capital outlay authority may carry forward only if the Legislature identifies the authority as nonlapsing in an appropriations act. Agencies may submit one-time projects lists for specific acquisitions for which they would like capital authority to be nonlapsing. No project lists have been submitted to the Analyst to date.

BUDGET DETAIL TABLE

ISF - Administrative Services						
Sources of Finance	FY 2004 Actual	FY 2005 Appropriated	Changes	FY 2005 Revised	Changes	FY 2006 Analyst*
Dedicated Credits Revenue	668,300	367,000	265,200	632,200	(82,500)	549,700
Premiums	25,849,300	28,430,700	(2,560,300)	25,870,400	(122,100)	25,748,300
Licenses/Fees	21,800	168,000	(168,000)	0	0	0
Interest Income	553,300	661,000	(108,900)	552,100	500	552,600
Dedicated Credits - Intragvt Rev	123,850,700	120,040,700	4,692,900	124,733,600	1,986,900	126,720,500
Sale of Fixed Assets	(601,000)	0	(600,000)	(600,000)	0	(600,000)
Restricted Revenue	7,001,900	8,517,600	(438,100)	8,079,500	355,000	8,434,500
Other Financing Sources	(800)	2,100	11,700	13,800	0	13,800
Total	\$157,343,500	\$158,187,100	\$1,094,500	\$159,281,600	\$2,137,800	\$161,419,400
Line Items						
ISF - Office of State Debt Collection	1,240,200	1,198,100	0	1,198,100	(82,000)	1,116,100
ISF - Purchasing & General Services	13,982,500	14,589,100	(464,500)	14,124,600	(117,300)	14,007,300
ISF - Information Technology Services	48,262,100	47,553,800	926,200	48,480,000	(559,400)	47,920,600
ISF - Fleet Operations	41,223,000	38,082,100	3,873,700	41,955,800	2,176,300	44,132,100
ISF - Risk Management	32,853,500	36,948,300	(2,998,400)	33,949,900	232,900	34,182,800
ISF - Facilities Management	19,782,200	19,815,700	(242,500)	19,573,200	487,300	20,060,500
Total	\$157,343,500	\$158,187,100	\$1,094,500	\$159,281,600	\$2,137,800	\$161,419,400
Categories of Expenditure						
Personal Services	30,085,100	30,121,700	952,300	31,074,000	(441,200)	30,632,800
In-State Travel	60,800	111,100	(3,600)	107,500	8,500	116,000
Out of State Travel	43,600	79,100	(28,500)	50,600	6,500	57,100
Current Expense	91,145,400	97,719,300	2,116,000	99,835,300	552,400	100,387,700
DP Current Expense	7,857,900	8,266,800	(218,400)	8,048,400	76,500	8,124,900
DP Capital Outlay	(74,500)	5,960,700	(5,960,700)	0	0	0
Capital Outlay	5,796,500	0	4,908,700	4,908,700	(920,500)	3,988,200
Other Charges/Pass Thru	2,944,600	1,237,300	(66,100)	1,171,200	(37,600)	1,133,600
Operating Transfers	3,405,000	0	1,000,000	1,000,000	(1,000,000)	0
Depreciation	14,351,200	14,458,800	(1,027,900)	13,430,900	351,900	13,782,800
Total	\$155,615,600	\$157,954,800	\$1,671,800	\$159,626,600	(\$1,403,500)	\$158,223,100
Profit/(Loss)	\$1,727,900	\$232,300	(\$577,300)	(\$345,000)	\$3,541,300	\$3,196,300
Other Data						
Total FTE	507.5	500.5	(7.1)	493.4	(0.4)	493.0
Authorized Capital Outlay	26,463,900	22,949,200	0	22,949,200	2,196,100	25,145,300
Retained Earnings	18,816,000.0	12,181,700.0	6,289,300.0	18,471,000.0	3,196,300.0	21,667,300.0
Vehicles	4,451	4,363	92	4,455	(1)	4,454
*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.						