

Budget Brief – Facilities Management (ISF)

NUMBER CFAS-05-21

SUMMARY

The internal service fund within the Division of Facilities Construction and Management (DFCM) is responsible for the operation and maintenance of 5.4 million square feet of state owned space. DFCM will provide maintenance, janitorial, and security services for any agency occupying state owned space. In order to keep prices as low as possible, DFCM must compete with private sector vendors in getting maintenance contracts.

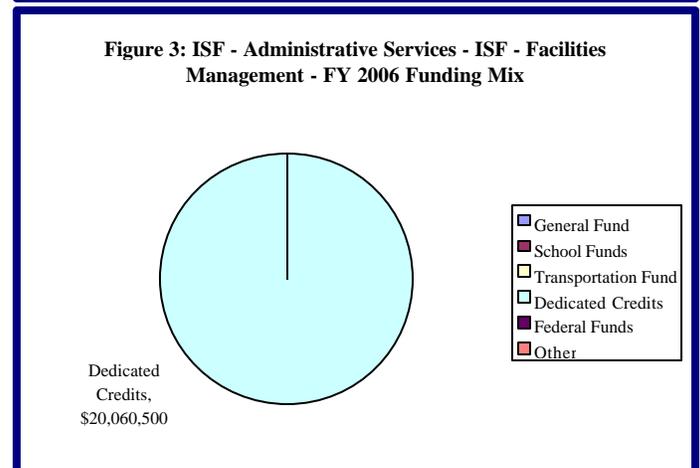
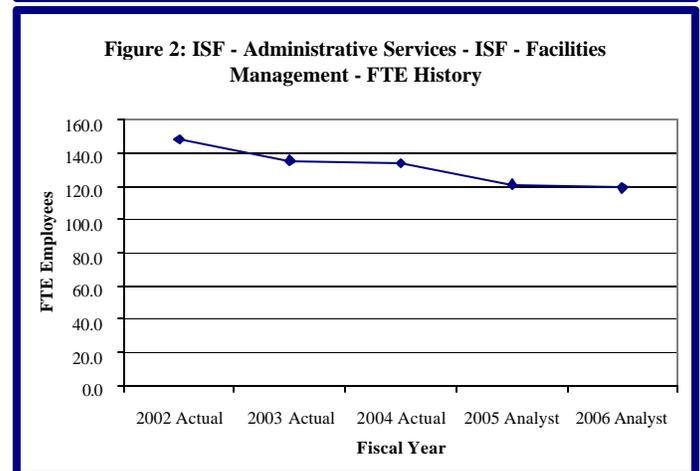
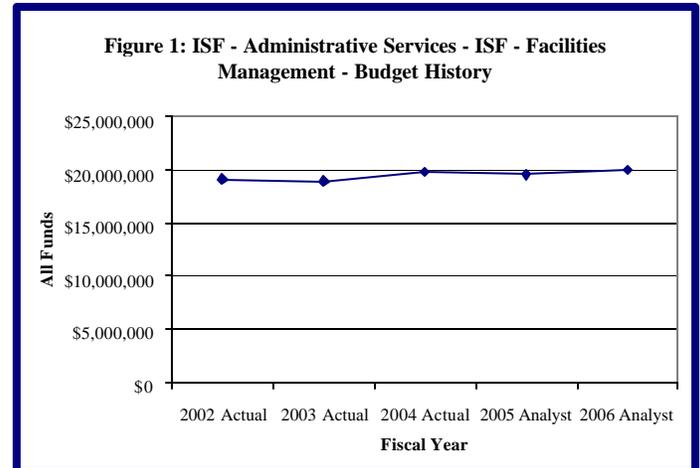
ISSUES AND RECOMMENDATIONS

Rate Changes

The Analyst recommends the Legislature adopt the rate changes approved by the ISF Rate Committee for Facilities Maintenance. Please see Issue Brief CFAS-05-15 for more information on each agency.

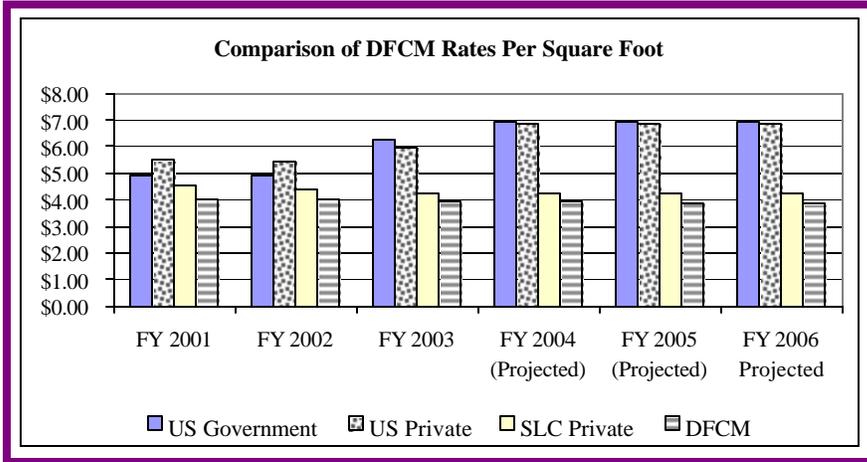
Move CAD program (2 FTE) from ISF Budget

Currently the Computer Aided Design (CAD) program resides in the DFCM ISF budget, though it is funded out of project money in the Administration budget. This program should have been moved to the appropriated budget several years ago when the HazMat and Roofing/Paving programs were moved. The Analyst recommends the Legislature authorize the move of two FTE from this ISF budget to the DFCM appropriated line item.

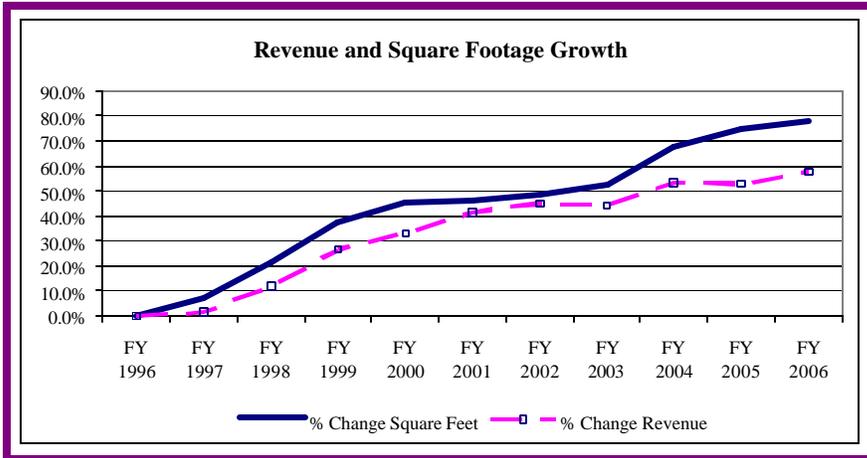


ACCOUNTABILITY DETAIL

Comparison of Rates per Square Foot



At \$3.92 per square foot in FY 2004, DFCM maintenance rates are approximately fifty-five percent of the rates paid by the federal government and the private sector nationwide. The Salt Lake are private sector is \$0.36 more expensive per square foot than DFCM.



Since FY 1996, square footage managed has increased by 78% while revenue has increased by 58%.

BUDGET DETAIL

This ISF's managers have achieved positive operating results for the past three years, which has resulted in slight growth in retained earnings.

The FTE count is based on legislative approval of full-time permanent employees, but can fluctuate according to the intent language discussed below. During the summer months DFCM adds temporary employees for grounds maintenance at the Capitol and other large state facilities. The Legislature has not been counting these temporary positions against the legislatively authorized FTE level. Since 1999 FTE counts as calculated by hours worked has remained fairly constant. A slight decline since FY 2001 reflects the transfer of the Roofing/Paving, HazMat, and Preventive Maintenance programs from the ISF to the appropriated budget. This year the Analyst recommends transferring the Computer Aided Design program and its two FTE as well.

Budget Recommendation for FY 2006:

- Estimated revenues of \$20,060,500
- Rate changes as presented in Issue Brief CFAS-05-15
- 119.0 FTE.
- Authorized Capital Outlay of \$73,200. Funds will be used, if needed, to replace mowers, mules, and other equipment that may unexpectedly break down.

Intent Language

The Analyst recommends continuing the following intent language, with modifications as underlined.

It is the intent of the Legislature that DFCM's internal service fund may add FTEs or vehicles beyond the authorized level if new facilities come on line or maintenance agreements are requested. Any added FTEs or vehicles will be reviewed and approved by the Legislature in the next legislative session.

Until 1999, DFCM had been able to add FTE to its payroll only if there were an equivalent reduction in another agency. Agencies often request new or expanded services from DFCM during the course of the year. Without flexibility to add employees, DFCM's customer service and competitive abilities suffered. Vehicles may also be necessary as part of expanded services. In FY 2004 DFCM had 119 permanent employees, two below their authorized level of 121.

LEGISLATIVE ACTION

This section is a summary of what actions might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider adopting:

1. Estimated revenues of \$20,060,500
2. Rate changes as presented in Issue Brief CFAS-05-15
3. 119.0 FTE
4. Authorized Capital Outlay of \$73,200

BUDGET DETAIL TABLE**ISF - Administrative Services - ISF - Facilities Management**

| Sources of Finance | FY 2004 Actual | FY 2005 Appropriated | Changes | FY 2005 Revised | Changes | FY 2006 Analyst* |
|----------------------------------|---------------------------|---------------------------------|--------------------|----------------------------|------------------|-----------------------------|
| Interest Income | 100 | 0 | 0 | 0 | 0 | 0 |
| Dedicated Credits - Intragvt Rev | 19,782,100 | 19,815,700 | (242,500) | 19,573,200 | 487,300 | 20,060,500 |
| Total | \$19,782,200 | \$19,815,700 | (\$242,500) | \$19,573,200 | \$487,300 | \$20,060,500 |
| Programs | | | | | | |
| ISF - Facilities Management | 19,782,200 | 19,815,700 | (242,500) | 19,573,200 | 487,300 | 20,060,500 |
| Total | \$19,782,200 | \$19,815,700 | (\$242,500) | \$19,573,200 | \$487,300 | \$20,060,500 |
| Categories of Expenditure | | | | | | |
| Personal Services | 5,699,900 | 5,729,000 | 224,200 | 5,953,200 | (75,100) | 5,878,100 |
| In-State Travel | 9,100 | 7,700 | 1,000 | 8,700 | (300) | 8,400 |
| Out of State Travel | 7,600 | 13,900 | (100) | 13,800 | 4,900 | 18,700 |
| Current Expense | 13,267,700 | 13,036,300 | 326,600 | 13,362,900 | 126,900 | 13,489,800 |
| DP Current Expense | 386,300 | 268,300 | 120,200 | 388,500 | (2,600) | 385,900 |
| Other Charges/Pass Thru | 323,200 | 165,500 | 800 | 166,300 | (8,700) | 157,600 |
| Depreciation | 54,700 | 42,100 | (5,000) | 37,100 | 4,700 | 41,800 |
| Total | \$19,748,500 | \$19,262,800 | \$667,700 | \$19,930,500 | \$49,800 | \$19,980,300 |
| Profit/(Loss) | \$33,700 | \$552,900 | (\$910,200) | (\$357,300) | \$437,500 | \$80,200 |
| Other Data | | | | | | |
| Total FTE | 133.9 | 121.0 | 0.4 | 121.4 | (2.4) | 119.0 |
| Authorized Capital Outlay | 11,500 | 70,500 | 0 | 70,500 | 2,700 | 73,200 |
| Retained Earnings | 1,098,700 | 1,950,100 | (1,208,700) | 741,400 | 80,200 | 821,600 |
| Vehicles | 72 | 76 | 0 | 76 | 0 | 76 |

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.