



Issue Brief:
Risk Management ISF – Fees

CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

BB: DAS ISF Risk MGT.

SUMMARY

In accordance with UCA 63J-1-306, the following fees are proposed for the services of the Division of Risk Management in FY 2010. These rates were approved by the Rate Committee and are recommended by the Analyst.

| | FY 2009 Current | FY 2010 Proposed | Difference | FY 2010 # Units | Revenue Change |
|---|--------------------|---------------------|------------|--------------------|-------------------|
| Liability Premiums | | | | | |
| Administrative Services | 265,864 | 262,783 | (3,081) | 1 | (3,081) |
| Agriculture | 39,349 | 34,155 | (5,194) | 1 | (5,194) |
| Alcoholic Beverage Control | 57,667 | 61,272 | 3,605 | 1 | 3,605 |
| Attorney General's Office | 92,766 | 91,006 | (1,760) | 1 | (1,760) |
| Auditor | 9,050 | 9,986 | 936 | 1 | 936 |
| Board of Pardons | 9,194 | 9,194 | 0 | 1 | 0 |
| Capitol Preservation Board | 7,900 | 8,968 | 1,068 | 1 | 1,068 |
| Career Service Review Board | 491 | 476 | (15) | 1 | (15) |
| Commerce | 63,318 | 57,175 | (6,143) | 1 | (6,143) |
| Commission on Criminal and Juvenile Justice | 4,498 | 2,750 | (1,748) | 1 | (1,748) |
| Community and Culture | 47,720 | 50,677 | 2,957 | 1 | 2,957 |
| Corrections | 583,967 | 533,148 | (50,819) | 1 | (50,819) |
| Courts | 278,472 | 267,628 | (10,844) | 1 | (10,844) |
| Crime Victims Reparation | 3,159 | 1,931 | (1,228) | 1 | (1,228) |
| Education | 217,108 | 213,863 | (3,245) | 1 | (3,245) |
| Deaf and Blind School | 50,221 | 50,221 | 0 | 1 | 0 |
| Environmental Quality | 88,317 | 83,359 | (4,958) | 1 | (4,958) |
| Fair Park | 15,000 | 10,000 | (5,000) | 1 | (5,000) |
| Financial Institutions | 12,444 | 12,509 | 65 | 1 | 65 |
| Governor | 22,486 | 13,745 | (8,741) | 1 | (8,741) |
| Governor's Office of Planning and Budget | 19,868 | 12,144 | (7,724) | 1 | (7,724) |
| Governor's Office of Economic Development | 40,000 | 40,000 | 0 | 1 | 0 |
| Health | 268,903 | 240,749 | (28,154) | 1 | (28,154) |
| Heber Valley Railroad | 24,000 | 24,000 | 0 | 1 | 0 |
| House of Representatives | 8,097 | 7,620 | (477) | 1 | (477) |
| Human Resource Management | 19,900 | 23,880 | 3,980 | 1 | 3,980 |
| Human Services | 743,832 | 836,966 | 93,134 | 1 | 93,134 |
| Labor Commission | 24,215 | 21,243 | (2,972) | 1 | (2,972) |
| Insurance | 29,551 | 35,461 | 5,910 | 1 | 5,910 |
| Legislative Fiscal Analyst | 5,154 | 5,028 | (126) | 1 | (126) |
| Legislative Auditor | 4,881 | 5,857 | 976 | 1 | 976 |
| Legislative Printing | 2,154 | 1,723 | (431) | 1 | (431) |
| Legislative Research & General Counsel | 13,051 | 14,038 | 987 | 1 | 987 |
| Medical Education Council | 842 | 1,010 | 168 | 1 | 168 |
| National Guard | 51,217 | 50,568 | (649) | 1 | (649) |
| Natural Resources | 274,779 | 329,735 | 54,956 | 1 | 54,956 |
| Navajo Trust Fund | 2,632 | 2,566 | (66) | 1 | (66) |
| Public Lands | 5,436 | 5,444 | 8 | 1 | 8 |
| Public Safety | 356,187 | 427,424 | 71,237 | 1 | 71,237 |

| | FY 2009 | FY 2010 | | FY 2010 | Revenue |
|--|-----------|-----------|----------------|---------|----------------|
| | Current | Proposed | Difference | # Units | Change |
| Public Service Commission | 9,827 | 8,695 | (1,132) | 1 | (1,132) |
| School and Institutional Trust Lands | 20,518 | 19,571 | (947) | 1 | (947) |
| Senate | 4,278 | 4,077 | (201) | 1 | (201) |
| Tax Commission | 140,651 | 134,189 | (6,462) | 1 | (6,462) |
| Technology Services | 47,000 | 56,400 | 9,400 | 1 | 9,400 |
| Treasurer | 5,501 | 5,436 | (65) | 1 | (65) |
| Utah Comm Network (UCAN) | 10,000 | 15,000 | 5,000 | 1 | 5,000 |
| Utah Science and Technology and Research (USTAR) | 34,042 | 27,234 | (6,808) | 1 | (6,808) |
| Veteran's Affairs | 5,911 | 5,690 | (221) | 1 | (221) |
| Workforce Services | 366,731 | 328,747 | (37,984) | 1 | (37,984) |
| Transportation | 2,108,250 | 2,030,000 | (78,250) | 1 | (78,250) |
| Board of Regents | 33,220 | 34,881 | 1,661 | 1 | 1,661 |
| College of Eastern Utah | 30,800 | 32,340 | 1,540 | 1 | 1,540 |
| Dixie College | 50,930 | 53,477 | 2,547 | 1 | 2,547 |
| Salt Lake Community College | 167,200 | 175,560 | 8,360 | 1 | 8,360 |
| Snow College | 41,580 | 49,896 | 8,316 | 1 | 8,316 |
| Southern Utah University | 87,000 | 91,350 | 4,350 | 1 | 4,350 |
| UCAT/Bridgerland ATC | 9,600 | 10,080 | 480 | 1 | 480 |
| UCAT/Davis ATC | 12,200 | 12,810 | 610 | 1 | 610 |
| UCAT/Ogden Weber ATC | 13,000 | 13,650 | 650 | 1 | 650 |
| UCAT/Uintah Basin ATC | 5,000 | 5,250 | 250 | 1 | 250 |
| UCAT/Salt Lake Tooele ATC | 2,600 | 2,730 | 130 | 1 | 130 |
| UCAT/Dixie ATC | 1,000 | 1,050 | 50 | 1 | 50 |
| UCAT/Mountainland ATC | 2,900 | 3,045 | 145 | 1 | 145 |
| UCAT/Southwest ATC | 2,100 | 2,205 | 105 | 1 | 105 |
| University of Utah | 1,484,352 | 1,365,088 | (119,264) | 1 | (119,264) |
| Utah State University | 574,464 | 603,187 | 28,723 | 1 | 28,723 |
| Utah Valley State College | 194,239 | 203,951 | 9,712 | 1 | 9,712 |
| Weber State University | 207,200 | 217,560 | 10,360 | 1 | 10,360 |
| School Districts | 4,212,000 | 4,679,000 | 467,000 | 1 | 467,000 |
| Subtotal Liability Premiums | | | 404,666 | | 404,666 |
| Property Insurance Rates | | | | | |
| Gross Premium for Buildings | | | | | |
| <i>Existing Insured Buildings</i> | | | | | |
| Building value as determined by Risk Mgt. and owner as of Sept. 2008 multiplied by the Marshall & Swift Valuation Service rates as of Sept. 2008 associated with Building Construction Class, Occupancy Type, Building Quality, and Fire Protection Code | | | 0 | 0 | 0 |
| <i>Newly Insured Buildings</i> | | | | | |
| Building value as determined by Risk Mgt. and owner as of insured date multiplied by the Marshall & Swift Valuation Service rates as of Sept. 2008 associated with Building Construction Class, Occupancy Type, Building Quality, and Fire Protection Code | | | 0 | 0 | 0 |

| | FY 2009 Current | FY 2010 Proposed | Difference | FY 2010 # Units | Revenue Change |
|---|--------------------|---------------------|------------|--------------------|-------------------|
| Building Demographic Discounts | | | | | |
| Fire Suppression Sprinklers - 15% discount | | 0 | 0 | 0 | 0 |
| Smoke alarm/Fire detectors - 10% discount | | 0 | 0 | 0 | 0 |
| Flexible water/Gas connectors - 1% discount | | 0 | 0 | 0 | 0 |
| Surcharges | | | | | |
| Lack of compliance with Risk Mgt. recommendations - 10% surcharge | | 0 | 0 | 0 | 0 |
| Building built prior to 1950 - 10% surcharge | | 0 | 0 | 0 | 0 |
| Agency Discount | | | | | |
| Standard discount - 63.5% | | 0 | 0 | 0 | 0 |
| Agency specific discount - as negotiated with Risk | | 0 | 0 | 0 | 0 |
| Gross Premium for Contents | | | | | |
| Existing Insured Buildings | | | | | |
| Content value as determined by owner as of Sept. 2008 multiplied by the Marshall & Swift Valuation Service rates as of Sept. 2008 associated with Building Construction Class, Occupancy Type, Building Quality, and Fire Protection Code | | 0 | 0 | 0 | 0 |
| Newly Insured Buildings | | | | | |
| Content value as determined by owner as of insured date multiplied by the Marshall & Swift Valuation Service rates as of Sept. 2008 associated with Building Construction Class, Occupancy Type, Building Quality, and Fire Protection Code | | 0 | 0 | 0 | 0 |
| Gross Premium Discounts | | | | | |
| Completion of Risk Mgt. self-inspection survey - 10% discount | | 0 | 0 | 0 | 0 |
| Risk control meetings - 5% discount | | 0 | 0 | 0 | 0 |

Property Premiums

Property premiums are based on the rates as outlined above. Premiums may fluctuate if new buildings are requested for coverage or square footage changes. The following premiums are estimates based on values as of September 2008.

| | | | | | |
|---|---------|---------|-------|---|-------|
| Senate | 114 | 122 | 8 | 1 | 8 |
| House of Representatives | 232 | 250 | 18 | 1 | 18 |
| Legislative Printing | 86 | 229 | 143 | 1 | 143 |
| Legislative Research/General Council | 121 | 130 | 9 | 1 | 9 |
| Legislative Fiscal Analyst | 30 | 32 | 2 | 1 | 2 |
| Legislative Auditor | 46 | 46 | 0 | 1 | 0 |
| Courts | 11,668 | 11,668 | 0 | 1 | 0 |
| Capitol Preservation Board | 150,831 | 159,973 | 9,142 | 1 | 9,142 |
| Treasurer | 131 | 155 | 24 | 1 | 24 |
| Governor's Office | 167 | 167 | 0 | 1 | 0 |
| Office of Planning & Budget | 206 | 206 | 0 | 1 | 0 |
| Commission on Criminal Juvenile Justice | 147 | 148 | 1 | 1 | 1 |
| Crime Victims Reparations | 136 | 166 | 30 | 1 | 30 |
| Economic Development | 691 | 751 | 60 | 1 | 60 |
| Attorney General | 1,112 | 1,112 | 0 | 1 | 0 |
| Utah State Auditor | 102 | 110 | 8 | 1 | 8 |
| Administrative Rules | 24 | 179 | 155 | 1 | 155 |

| | FY 2010 Current | FY 2010 Proposed | Difference | Revenue # Units | Revenue Change |
|--|----------------------------|-----------------------------|-------------------|----------------------------|---------------------------|
| Archives | 8,333 | 8,491 | 158 | 1 | 158 |
| Debt Collection | 0 | 52 | 52 | 1 | 52 |
| Executive Director's Office | 54 | 58 | 4 | 1 | 4 |
| Facilities Construction and Management | 252,064 | 321,475 | 69,411 | 1 | 69,411 |
| Finance | 480 | 788 | 308 | 1 | 308 |
| Fleet Operation | 3,307 | 4,321 | 1,014 | 1 | 1,014 |
| Purchasing | 10,869 | 10,869 | 0 | 1 | 0 |
| Technology Services | 99,763 | 102,830 | 3,067 | 1 | 3,067 |
| Utah State Tax Commission | 12,096 | 12,096 | 0 | 1 | 0 |
| Career Service Review Board | 98 | 98 | 0 | 1 | 0 |
| Human Resource Management | 112 | 115 | 3 | 1 | 3 |
| Navajo Trust Fund | 3,210 | 4,655 | 1,445 | 1 | 1,445 |
| Public Safety | 16,302 | 22,596 | 6,294 | 1 | 6,294 |
| National Guard | 103,837 | 117,573 | 13,736 | 1 | 13,736 |
| Human Services Department | 9,490 | 9,490 | 0 | 1 | 0 |
| Developmental Center | 45,678 | 45,678 | 0 | 1 | 0 |
| State Hospital | 41,613 | 41,613 | 0 | 1 | 0 |
| Juvenile Justice Services | 25,635 | 25,900 | 265 | 1 | 265 |
| Health | 10,926 | 12,114 | 1,188 | 1 | 1,188 |
| Medical Education Council | 0 | 14 | 14 | 1 | 14 |
| Board of Education | 10,787 | 10,868 | 81 | 1 | 81 |
| School for the Deaf & Blind | 7,926 | 8,945 | 1,019 | 1 | 1,019 |
| Department of Corrections | 12,248 | 24,913 | 12,665 | 1 | 12,665 |
| Draper Prison | 196,739 | 215,260 | 18,521 | 1 | 18,521 |
| Gunnison Prison | 62,367 | 67,749 | 5,382 | 1 | 5,382 |
| Board of Pardons | 28 | 4,392 | 4,364 | 1 | 4,364 |
| Veterans Affairs | 0 | 3,393 | 3,393 | 1 | 3,393 |
| Environmental Quality | 9,654 | 9,654 | 0 | 1 | 0 |
| School and Institutional Trust Lands | 856 | 1,031 | 175 | 1 | 175 |
| DNR Executive Director's Office | 3,142 | 6,305 | 3,163 | 1 | 3,163 |
| Forestry Fire & State Lands | 13,476 | 14,181 | 705 | 1 | 705 |
| Oil Gas and Mining | 823 | 823 | 0 | 1 | 0 |
| Parks and Recreation | 185,118 | 187,095 | 1,977 | 1 | 1,977 |
| Utah Geological Survey | 1,106 | 1,106 | 0 | 1 | 0 |
| Water Resources | 2,320 | 2,754 | 434 | 1 | 434 |
| Water Rights | 1,052 | 1,052 | 0 | 1 | 0 |
| Wildlife Resources | 174,182 | 186,419 | 12,237 | 1 | 12,237 |
| Agriculture | 3,252 | 3,252 | 0 | 1 | 0 |
| Public Lands Coordinating Office | 0 | 63 | 63 | 1 | 63 |
| Workforce Services | 16,953 | 18,547 | 1,594 | 1 | 1,594 |
| Alcoholic Beverage Control | 33,578 | 38,133 | 4,555 | 1 | 4,555 |
| Labor Commission | 274 | 326 | 52 | 1 | 52 |
| Commerce | 488 | 524 | 36 | 1 | 36 |
| Financial Institutions | 69 | 71 | 2 | 1 | 2 |
| Insurance | 206 | 213 | 7 | 1 | 7 |
| Public Service Commission | 29 | 31 | 2 | 1 | 2 |
| Arts | 21,682 | 21,682 | 0 | 1 | 0 |
| Department of Community & Culture | 187 | 201 | 14 | 1 | 14 |
| History | 10,230 | 10,838 | 608 | 1 | 608 |
| Library | 11,408 | 11,408 | 0 | 1 | 0 |

| | FY 2010 Current | FY 2010 Proposed | Difference | Revenue # Units | Revenue Change |
|--|--------------------|---------------------|------------------|--------------------|-------------------|
| DOT Aeronautical Operations | 4,003 | 4,406 | 403 | 1 | 403 |
| Transportation | 422,083 | 577,603 | 155,520 | 1 | 155,520 |
| Fair Park | 35,329 | 38,420 | 3,091 | 1 | 3,091 |
| Heber Valley Railroad | 11,341 | 12,390 | 1,049 | 1 | 1,049 |
| Utah Communication Network (UCAN) | 5,159 | 5,348 | 189 | 1 | 189 |
| <i>Total State Agencies</i> | <i>2,067,806</i> | <i>2,405,665</i> | <i>337,859</i> | <i>1</i> | <i>337,859</i> |
| Higher Education | | | | | |
| UCAT / Bridgerland ATC | 23,037 | 25,500 | 2,463 | 1 | 2,463 |
| UCAT / Davis ATC | 19,091 | 25,369 | 6,278 | 1 | 6,278 |
| UCAT / Ogden/Weber ATC | 34,362 | 41,792 | 7,430 | 1 | 7,430 |
| UCAT / Salt Lake Tooele ATC | 1,052 | 1,131 | 79 | 1 | 79 |
| UCAT / Uintah Basin ATC | 7,730 | 8,898 | 1,168 | 1 | 1,168 |
| Board of Regents | 1,296 | 1,386 | 90 | 1 | 90 |
| College of Eastern Utah | 80,949 | 80,949 | 0 | 1 | 0 |
| Dixie College | 82,540 | 106,976 | 24,436 | 1 | 24,436 |
| Salt Lake Community College | 175,230 | 233,334 | 58,104 | 1 | 58,104 |
| Snow College | 117,295 | 129,324 | 12,029 | 1 | 12,029 |
| Southern Utah University | 133,094 | 155,293 | 22,199 | 1 | 22,199 |
| UCAT / Mountainland | 2,877 | 4,897 | 2,020 | 1 | 2,020 |
| University of Utah | 1,414,691 | 1,909,455 | 494,764 | 1 | 494,764 |
| Utah State University | 739,265 | 850,611 | 111,346 | 1 | 111,346 |
| Utah Valley University | 175,580 | 220,763 | 45,183 | 1 | 45,183 |
| Weber State University | 177,017 | 194,775 | 17,758 | 1 | 17,758 |
| UCAT / Dixie | 258 | 614 | 356 | 1 | 356 |
| <i>Total Higher Education</i> | <i>3,185,364</i> | <i>3,991,066</i> | <i>805,702</i> | <i>1</i> | <i>805,702</i> |
| <i>School Districts</i> | <i>5,490,451</i> | <i>6,394,530</i> | <i>904,079</i> | <i>1</i> | <i>904,079</i> |
| Subtotal Property Premiums | 10,743,621 | 12,791,262 | 2,047,641 | 1 | 2,047,641 |
| Automobile/Physical Damage Premiums | | | | | |
| Public Safety rate for value < \$35,000 (per vehicle) | 175 | 175 | 0 | | 0 |
| Higher Education rate for value < \$35,000 (per vehicle) | 125 | 125 | 0 | | 0 |
| Other state agency rate for value < \$35,000 (per vehicle) | 150 | 150 | 0 | | 0 |
| School bus rate (per vehicle) | 100 | 100 | 0 | | 0 |
| School district rate for value < \$35,000 (per vehicle) | 50 | 50 | 0 | | 0 |
| Rate for value > \$35,000 (per \$100 of value) | 0.8 | 0.8 | 0 | | 0 |
| State agency and higher education rate for other vehicles | 75 | 75 | 0 | | 0 |
| School district rate for other vehicles or related equipment | 50 | 50 | 0 | | 0 |
| Standard deductible (per incident) | 500 | 500 | 0 | | 0 |
| Subtotal Automobile Physical Damage | | | | | 0 |
| Workers Compensation Rates | | | | | |
| UDOT* - rate decreased during the interim | 1.56% | 1.25% | (244,000) | | (244,000) |
| State (except DOT)* - rate decreased during interim | 0.79% | 0.70% | (771,000) | | (771,000) |

| | FY 2010 Current | FY 2010 Proposed | Difference | Revenue # Units | Revenue Change |
|---|--------------------|---------------------|----------------------|--------------------|----------------------|
| Course of Construction Premiums | | | | | |
| Rate per \$100 of value – charged for half of a year | 0.053 | 0.053 | 0 | | 0 |
| Charter Schools | | | | | |
| Liability (\$2 million coverage) | | | | | |
| Cost per student, \$1,000 minimum | 18 | 18 | 0 | | 0 |
| Property (\$1,000 deductible per occurrence) | | | | | |
| Cost per \$100 in value, \$100 minimum | 0.1 | 0.1 | 0 | | 0 |
| Comprehensive/Collision (\$500 deductible per occurrence) | | | | | |
| Cost per year per vehicle | 150 | 150 | 0 | | 0 |
| Employee Dishonesty Bond, per year | 250 | 250 | 0 | | 0 |
| Subtotal Other | | | (\$1,015,000) | | (\$1,015,000) |
| Grand Total | | | 1,436,107 | | 1,437,307 |