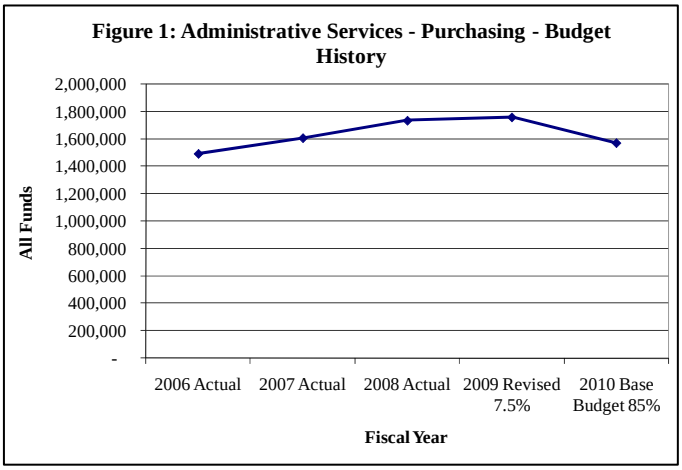
Jan. 12th Brief: DAS Purchasing and General Services

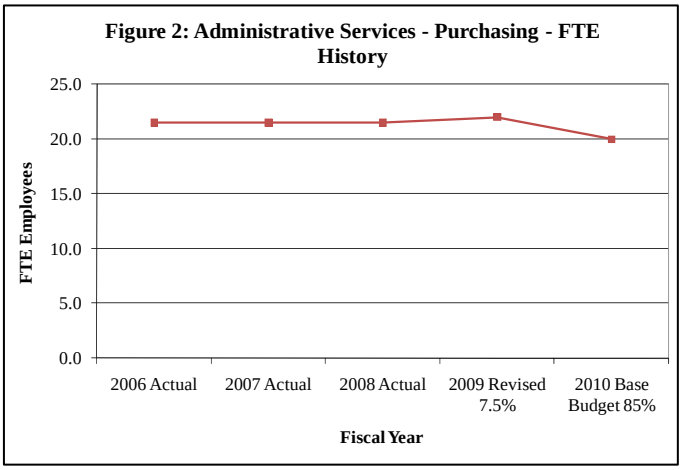
CAPITAL FACILITIES AND GOVERNMENT OPERATIONS

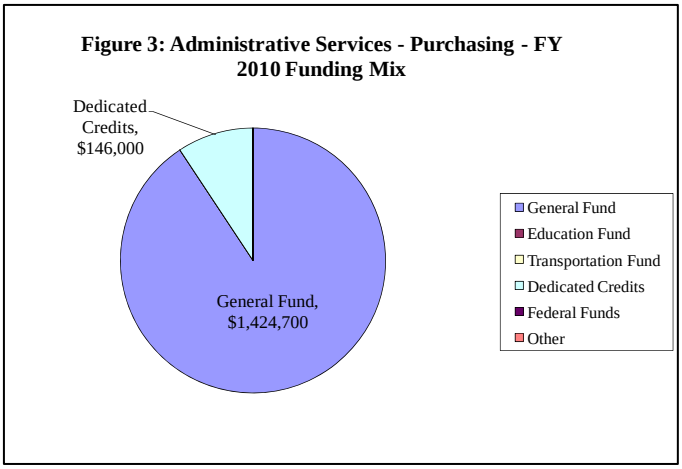
SUMMARY

In 1997 the Legislature reorganized the Department of Administrative Services, merging Central Copying, Central Mail, and Central Stores into the Division of Purchasing and General Services. The procurement function that enables other agencies to contract for goods and services remains an appropriated function. Other programs operate as Internal Service Funds and are budgeted separately in the ISF section of the budget.

The division provides a centralized purchasing function for all state agencies. The Purchasing Program manages over 750 statewide contracts that are used by state agencies, education, and local governments, and oversees more than 2,000 agency contracts and more than 1,500 procurement processes per year. The value of these contracts and procurements exceeds a billion dollars annually.







ISSUES AND RECOMMENDATIONS

Prior Budget Increases

During the 2008 General Session the Legislature appropriated $72,000 for an FTE to implement provisions of H.B. 75 *Inventory and Review of Commercial Activities.*

FY 2009 Budget Reductions

During the 2008 Special Session the Legislature reduced Purchasing's budget by $70,000 ongoing General Fund and increased the FY 2009 budget by $22,600 onetime. The reduction reduced turnover savings, travel, and current expenses.

FY 2009 Additional 7.5% Budget Reductions

The Analyst recommends a one-time reduction of $138,000 General Fund including: $72,000 in personnel expenses and the replacement of $66,000 General Fund with dedicated credits from the Western States Contracting Alliance.

FY 2010 Base Budget Reduction of 15%

The Analyst recommends ongoing budget reductions of $256,000 General Fund in the following order:

1. $66,000 replacement of GF with dedicated credits
2. $190,000 from personnel (a reduction of 3.0 FTE)

Such reductions may reduce the ability of Purchasing to find efficiencies in state-wide contracts and the ability to analyze opportunities for privatization of government services.

LEGISLATIVE ACTION

The Analyst recommends the Legislature consider adopting:

1. A FY 2009 one-time 7.5% reduction of $138,000 from the General Fund
2. A FY 2010 ongoing 15% base budget reduction of $256,000 from the General Fund

BUDGET DETAIL TABLE

Administrative Services - Purchasing

Sources of Finance	FY 2007 Actual	FY 2008 Actual	FY 2009 Approp	7.5% Reduction	FY 2009 Revised	FY 2010 Base	15% Reduction	FY 2010 Revised
General Fund	1,536,700	1,627,000	1,680,700	0	1,680,700	1,680,700	(256,000)	1,424,700
General Fund, One-time	(900)	0	17,500	(138,000)	(120,500)	0	0	0
Dedicated Credits Revenue	84,600	105,100	86,500	66,000	152,500	80,000	66,000	146,000
Beginning Nonlapsing	34,200	47,600	45,500	0	45,500	0	0	0
Closing Nonlapsing	(47,600)	(45,500)	0	0	0	0	0	0
Total	1,607,000	1,734,200	1,830,200	(72,000)	1,758,200	1,760,700	(190,000)	1,570,700
Programs								
Purchasing and General Services	1,607,000	1,734,200	1,830,200	(72,000)	1,758,200	1,760,700	(190,000)	1,570,700
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Categories of Expenditure								
Personal Services	1,467,500	1,579,200	1,630,400	(72,000)	1,558,400	1,631,400	(190,000)	1,441,400
In-State Travel	1,200	1,400	1,400	0	1,400	1,400	0	1,400
Out of State Travel	5,300	3,000	3,000	0	3,000	3,000	0	3,000
Current Expense	56,900	80,500	55,700	0	55,700	54,800	0	54,800
DP Current Expense	76,100	70,100	139,700	0	139,700	70,100	0	70,100
	1,607,000	1,734,200	1,830,200	(72,000)	1,758,200	1,760,700	(190,000)	1,570,700
Other Data								
Budgeted FTE	21.50	21.50	23.00	(1.00)	22.00	23.00	(3.00)	20.00
Actual FTE	20.49	20.86	0.00	0.00	0.00	0.00	0.00	0.00