

DHRM INTERNAL SERVICE FUND

CAPITAL FACILITIES & GOVERNMENT OPERATIONS APPROPRIATIONS SUBCOMMITTEE
STAFF: RICH AMON AND GARY RICKS

BUDGET BRIEF

SUMMARY

The Department of Human Resource Management (DHRM) Internal Service Fund (ISF) was established by House Bill 269 in the 2006 General Session, effective July 1, 2006. Internal Service Funds employ business practices to provide a service or product for other state and governmental agencies. Typical services include large functions that can be centrally administered.

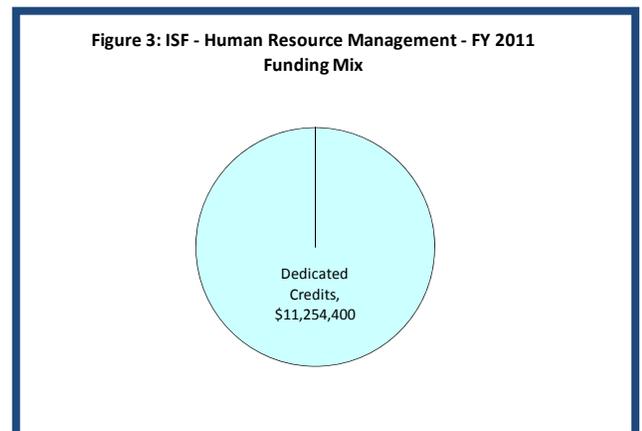
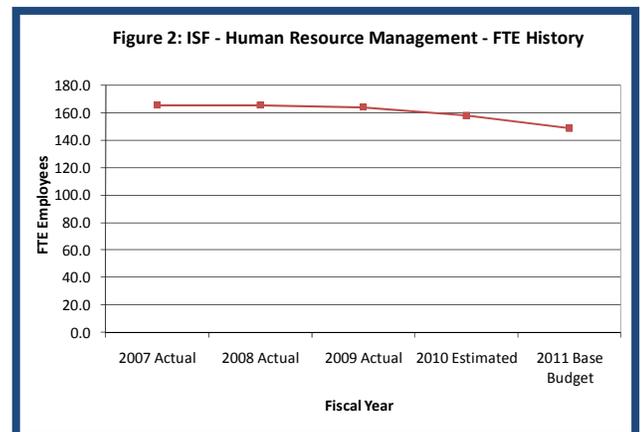
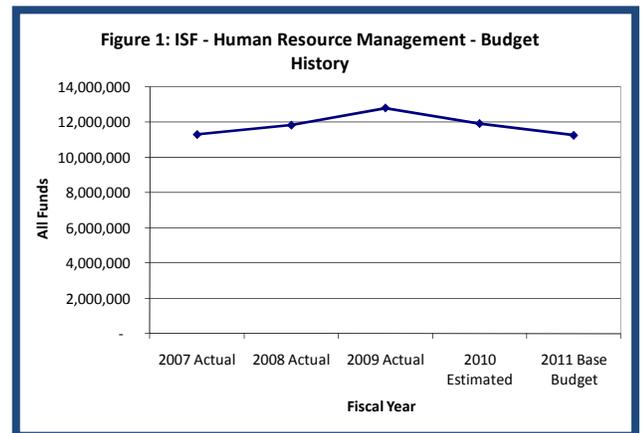
Upon establishing the ISF, DHRM consolidated all human resource employees statewide. Previously, most HR staff in the “field” worked for the agency where they were housed. These staff members now work for DHRM, although they may remain in the same physical locations. This consolidation enhances efficiencies by avoiding duplication of effort, particularly in rural or otherwise remote locations. Consolidation also results in better control and coordination over HR functions.

The Internal Service Fund has two programs—Human Resource Field Services and Payroll Field Services. The Human Resource Field Services program is the primary program for delivery of services to state agencies. This program delivers frontline services in major functional areas including recruitment, training and development, classification, management of grievances and application of DHRM policies. The DHRM administrative staff (appropriated budget) sets the guidelines for Field Services, evaluates their performance and governs their workload.

The Payroll Field Services program is optional for agencies that wish to purchase payroll administration rather than use internal staff. Payroll work is cyclical and agency staff assigned to it normally performs other functions as well. Fewer agencies than originally estimated are presently using the service.

RECOMMENDATIONS

The Analyst recommends that the Subcommittee approve the FY 2011 Base Budget Funding as the beginning point for subsequent budget adjustments throughout the rest of the 2010 General Session. This recommendation includes approval of the respective Budgeted FTE, Authorized Capital Outlay and Annual Revenue as stipulated in S.B. 1, “State Agency and Higher Education Base Budget” and as listed in the following table.



DHRM ISF DETAIL

DHRM ISF	Budgeted FTE	Authorized Capital Outlay	Annual Revenue
Dept. of Human Resource Management	148.8	\$0	\$11,254,400
Totals	148.8	\$0	\$11,254,400

BUDGET DETAIL TABLE

ISF - Human Resource Management						
Sources of Finance	FY 2009 Actual	FY 2010 Appropriated	Changes	FY 2010 Revised	Changes	FY 2011* Base Budget
Dedicated Credits - Intragvt Rev	12,790,400	11,914,500	(400)	11,914,100	(659,700)	11,254,400
Total	\$12,790,400	\$11,914,500	(\$400)	\$11,914,100	(\$659,700)	\$11,254,400
Programs						
Field Services	11,896,900	11,329,000	0	11,329,000	(654,700)	10,674,300
Payroll Field Services	893,500	585,500	(400)	585,100	(5,000)	580,100
Total	\$12,790,400	\$11,914,500	(\$400)	\$11,914,100	(\$659,700)	\$11,254,400
Categories of Expenditure						
Personnel Services	10,734,300	11,908,600	(184,700)	11,723,900	(519,600)	11,204,300
In-state Travel	15,600	25,000	0	25,000	0	25,000
Out-of-state Travel	5,500	15,000	16,000	31,000	0	31,000
Current Expense	234,400	342,900	14,600	357,500	(20,100)	337,400
DP Current Expense	249,500	321,000	52,500	373,500	0	373,500
Total	\$11,296,000	\$12,669,600	(\$96,200)	\$12,573,400	(\$539,700)	\$12,033,700
Other Data						
Budgeted FTE	164.0	158.0	0.0	158.0	(9.3)	148.8
Authorized Capital Outlay	0.0	75000.0	(75000.0)	0.0	0.0	0.0
Retained Earnings	2373900.0	53800.0	1308500.0	1362300.0	(779300.0)	583000.0

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