



# DAS INTERNAL SERVICE FUNDS

INFRASTRUCTURE AND GENERAL GOVERNMENT  
STAFF: GARY K. RICKS

BUDGET BRIEF

## 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, information technology, mail processing, 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 identify the costs of certain governmental services.

In order to control the size, mission and fees charged to state agencies, the Legislature imposed statutory controls (UCA 63J-1-410, 411 and 504) 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 assets and borrowing does not exceed 90 percent of the ISF’s capital assets.

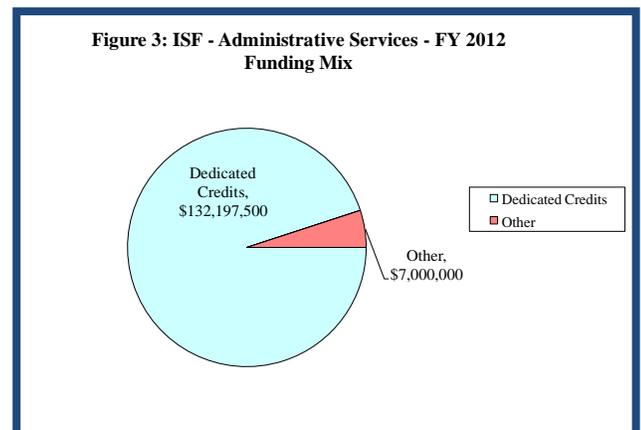
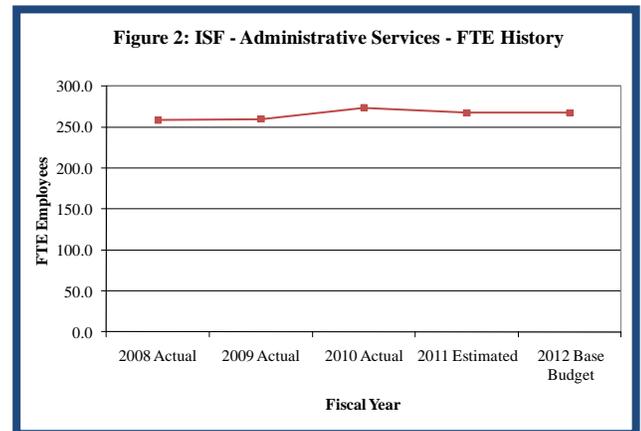
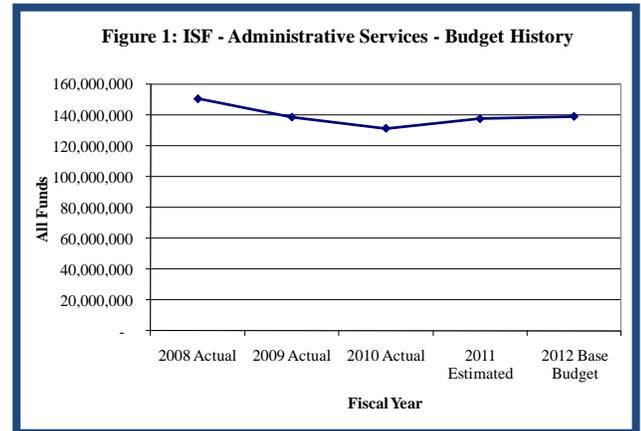
### DAS Internal Service Fund Line Items

DAS operates four ISFs that are funded by rates charged to state agencies, higher education, and local governments:

1. Purchasing and General Services
2. Fleet Operations
3. Risk Management
4. Facilities Maintenance

## RECOMMENDATIONS

The Analyst recommends that the Subcommittee approve the FY 2012 Budgeted FTE levels, Authorized Capital Outlay and Annual Revenue for the Department of Administrative Services Internal Service Funds and direct the Analyst to include these items in the Subcommittee’s base budget appropriations act.



**DAS ISFs DETAIL**

DAS ISFs	Budgeted FTE	Authorized Capital Outlay	Annual Revenue
Purchasing and General Services	62.5	\$3,658,100	\$17,912,300
Fleet Operations	38.0	\$19,936,200	\$57,613,400
Risk Management	26.0	\$500,000	\$36,208,000
Facilities Management	141.0	\$59,000	\$27,463,800
<b>Totals</b>	<b>267.5</b>	<b>\$24,153,300</b>	<b>\$139,197,500</b>

**DAS ISFs BUDGET DETAIL**

ISF - Administrative Services						
Sources of Finance	FY 2010 Actual	FY 2011 Appropriated	Changes	FY 2011 Revised	Changes	FY 2012* Base Budget
Premiums	25,135,300	28,649,000	(358,300)	28,290,700	461,200	28,751,900
Interest Income	464,200	1,115,000	(658,900)	456,100	0	456,100
Dedicated Credits - Intragvt Rev	100,020,200	106,684,000	(4,764,900)	101,919,100	1,070,400	102,989,500
Sale of Fixed Assets	(1,345,000)	0	0	0	0	0
Restricted Revenue	7,141,900	7,517,400	(517,400)	7,000,000	0	7,000,000
<b>Total</b>	<b>\$131,416,600</b>	<b>\$143,965,400</b>	<b>(\$6,299,500)</b>	<b>\$137,665,900</b>	<b>\$1,531,600</b>	<b>\$139,197,500</b>
<b>Line Items</b>						
ISF - Purchasing & General Services	16,157,500	17,519,700	(92,300)	17,427,400	484,900	17,912,300
ISF - Fleet Operations	55,169,300	61,657,900	(4,110,500)	57,547,400	66,000	57,613,400
ISF - Risk Management	32,741,300	37,281,400	(1,534,600)	35,746,800	461,200	36,208,000
ISF - Facilities Management	27,348,500	27,506,400	(562,100)	26,944,300	519,500	27,463,800
<b>Total</b>	<b>\$131,416,600</b>	<b>\$143,965,400</b>	<b>(\$6,299,500)</b>	<b>\$137,665,900</b>	<b>\$1,531,600</b>	<b>\$139,197,500</b>
<b>Categories of Expenditure</b>						
Personnel Services	15,468,500	15,862,200	625,700	16,487,900	102,900	16,590,800
In-state Travel	39,100	56,000	(13,200)	42,800	0	42,800
Out-of-state Travel	18,100	28,400	400	28,800	3,000	31,800
Current Expense	104,138,100	110,774,100	(2,828,600)	107,945,500	379,700	108,325,200
DP Current Expense	1,165,900	1,375,500	26,000	1,401,500	(12,000)	1,389,500
Other Charges/Pass Thru	(212,800)	540,300	(410,700)	129,600	(38,700)	90,900
Operating Transfers	0	0	0	0	23,400	23,400
Depreciation	12,237,300	13,173,200	(919,200)	12,254,000	475,000	12,729,000
<b>Total</b>	<b>\$132,854,200</b>	<b>\$141,809,700</b>	<b>(\$3,519,600)</b>	<b>\$138,290,100</b>	<b>\$933,300</b>	<b>\$139,223,400</b>
<b>Other Data</b>						
Budgeted FTE	273.9	267.5	0.0	267.5	0.0	267.5
Actual FTE	262.2	0.0	0.0	0.0	0.0	0.0
Authorized Capital Outlay	14,365,500	24,584,400	3,442,500	28,026,900	(3,873,600)	24,153,300
Retained Earnings	14,937,000	23,376,800	(9,344,100)	14,032,700	(25,800)	14,006,900
Vehicles	117.0	112.0	5.0	117.0	0.0	117.0

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