

# DAS ISF – FLEET OPERATIONS

INFRASTRUCTURE AND GENERAL GOVERNMENT APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

## SUMMARY

The Division of Fleet Operations performs all administrative duties related to managing the state’s vehicles, coordinates all vehicle purchases, manages the fleet information system for all state vehicles, makes rules, runs a fuel dispensing service, and sets rates to recover costs. The programs in this line item include:

- Administration
- Motor Pool
- Fuel Network
- Travel Office

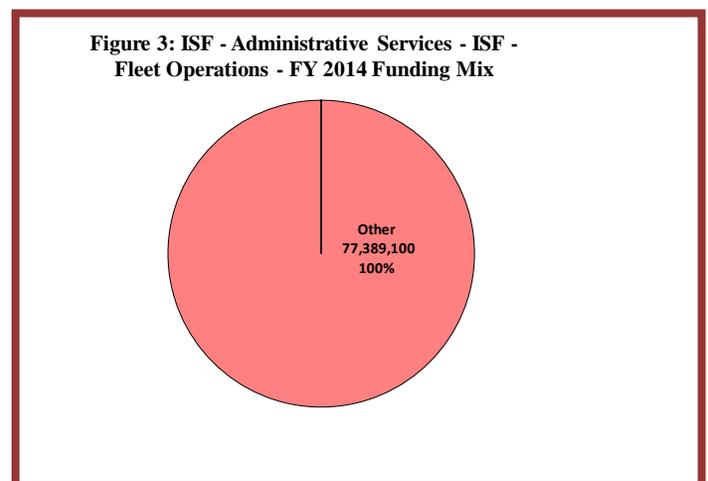
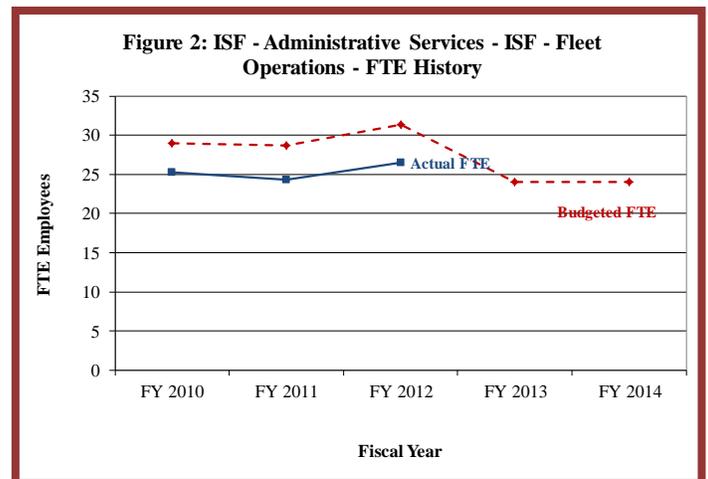
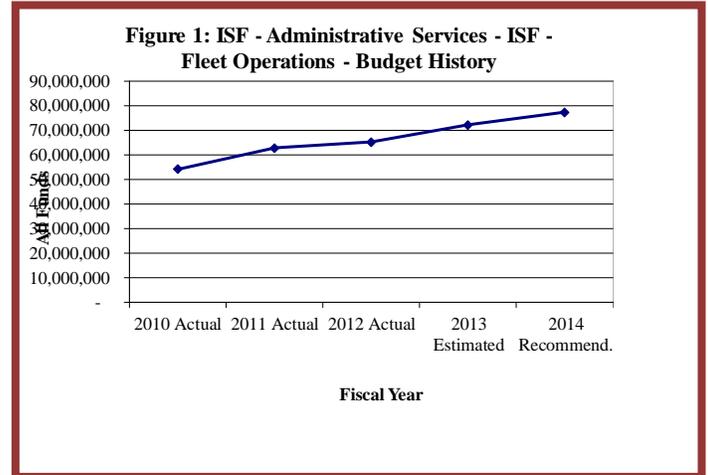
For FY 2012 the Department of Administrative Services made several changes that affect the Division of Fleet Operations. First, the department moved the Travel Office from the Division of Finance to Fleet Operations. Second the department moved State Surplus Property and Federal Surplus Property programs from Fleet Operations to the General Services internal service fund.

The Administration Program is set up to account for the indirect costs (overhead) in delivering the services of the other three central services programs. All expenditures are passed through to the other programs in proportion to their share of the total division budget.

## ISSUES AND RECOMMENDATIONS

### *Nonlapsing capital outlay authorization*

Prior to FY 2005 the Fleet Operations was able to carry all unused capital outlay authority into the next fiscal year. The Legislature ended this nonlapsing authority in FY 2005 to provide more oversight of capital outlays. An unanticipated difficulty Fleet has encountered due to this change is that ISF accounting requires expenditures be booked at the time goods are delivered and every year some vehicles are not delivered in the fiscal year they were ordered. This results in several million dollars of capital outlay authority being used



for previous year. To mitigate this problem the Analyst recommends intent language allowing the division to not lapse an amount of capital outlay authority equal to the value of cars ordered in the current fiscal year but not received by June 30<sup>th</sup> of that same year.

***FY 2013 Additional Capital Outlay Authorization for CNG Vehicles***

In November 2011, Governor Herbert signed a multi-state memorandum of understanding (MOU), signifying his intent to partner with 21 other states to create a wider market for compressed natural gas (CNG) vehicles. If the joint request for proposal is successful, the Governor may ask the Division of Fleet Operations to place several more CNG vehicles throughout the state fleet. The average incremental cost for 1 CNG vehicle is \$10,000.

"By signing the MOU, Governor Herbert has signified his intent to place additional CNG vehicles throughout the state fleet in an effort to improve air quality for the citizens of Utah. It is also seen as a step toward widening the public market for compressed natural gas. The Analyst recommends additional FY 2013 Authorized Capital Outlay of \$1,023,000 to cover the cost of these additional vehicles.

**BUDGET DETAIL**

Because the Administration program passes all of its expenditures (estimated at \$629,800 in FY 2014) through to the other three programs, its total budget is zero and it doesn't appear in the Budget Detail Table.

***Intent Language***

The Analyst recommends the Legislature approve the following intent language for FY 2013:

*The Legislature intends that appropriations for Fleet Operations not lapse capital outlay authority granted within Fiscal Year 2013 for vehicles not delivered by the end of Fiscal Year 2013 in which vehicle purchase orders were issued obligating capital outlay funds.*

**LEGISLATIVE ACTION**

The Analyst recommends the Legislature approve the FY 2014 Budgeted FTE, Authorized Capital Outlay, and the Annual Revenue as presented in the following table as well as listed in the IGG Subcommittee's Base Budget Bill:

DAS ISFs - FY 2014	Budgeted FTE	Authorized Capital Outlay	Annual Revenue
ISF - Fleet Operations	24.0	\$20,913,800	\$77,389,100
<b>Totals</b>	<b>24.0</b>	<b>\$20,913,800</b>	<b>\$77,389,100</b>

The Analyst also recommends that the Subcommittee recommend to the Executive Appropriations Committee three (3) Additional FTE beginning FY 2014, and the Supplemental Authorized Capital Outlay as described above:

DAS ISFs Requested Increases - FY 2014	Budgeted FTE
ISF - Fleet Operations	
Motor Pool	3.0
<b>Totals ISF - Fleet Operations</b>	<b>3.0</b>

DAS ISFs Requested Increases - FY 2013	Budgeted FTE	Authorized Capital Outlay
ISF - Fleet Operations		
Motor Pool		\$1,023,000
<b>Totals ISF - Fleet Operations</b>		<b>\$1,023,000</b>

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4. Rates as presented separately in an Issue Brief.
5. Intent Language as presented above and also delineated in the Intent Language Issue Brief.

**BUDGET DETAIL TABLE**

ISF - Administrative Services - ISF - Fleet Operations						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
Federal Funds	18,500	0	0	0	0	0
Dedicated Credits - Intragvt Rev	64,649,500	62,248,000	9,355,900	71,603,900	5,185,200	76,789,100
Sale of Fixed Assets	582,900	0	600,000	600,000	0	600,000
<b>Total</b>	<b>\$65,250,900</b>	<b>\$62,248,000</b>	<b>\$9,955,900</b>	<b>\$72,203,900</b>	<b>\$5,185,200</b>	<b>\$77,389,100</b>
<b>Programs</b>						
ISF - Motor Pool	24,556,200	25,843,700	1,633,700	27,477,400	756,200	28,233,600
ISF - Fuel Network	40,172,000	35,878,000	8,299,500	44,177,500	4,418,000	48,595,500
ISF - Travel Office	522,700	526,300	22,700	549,000	11,000	560,000
<b>Total</b>	<b>\$65,250,900</b>	<b>\$62,248,000</b>	<b>\$9,955,900</b>	<b>\$72,203,900</b>	<b>\$5,185,200</b>	<b>\$77,389,100</b>
<b>Categories of Expenditure</b>						
Personnel Services	2,034,900	1,877,200	(45,800)	1,831,400	0	1,831,400
In-state Travel	400	300	200	500	0	500
Out-of-state Travel	9,700	7,400	2,400	9,800	0	9,800
Current Expense	56,827,500	50,250,300	11,036,700	61,287,000	4,750,000	66,037,000
DP Current Expense	595,100	645,200	(6,500)	638,700	5,500	644,200
Other Charges/Pass Thru	379,200	100,800	278,400	379,200	0	379,200
Depreciation	9,398,900	9,424,700	632,000	10,056,700	300,000	10,356,700
Transfers	2,000,000	0	0	0	0	0
<b>Total</b>	<b>\$71,245,700</b>	<b>\$62,305,900</b>	<b>\$11,897,400</b>	<b>\$74,203,300</b>	<b>\$5,055,500</b>	<b>\$79,258,800</b>
<b>Other Data</b>						
Budgeted FTE	31	27	(3)	24	0	24
Actual FTE	27	0	0	0	0	0
Authorized Capital Outlay	16,922,200	21,382,000	0	21,382,000	(468,200)	20,913,800
Retained Earnings	4,508,900	4,010,400	(1,375,400)	2,635,000	(1,744,200)	890,800
Vehicles	15	11	4	15	(4)	11

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